THE CHINA WEEKLY

REVIEW

Devoted to the Economic, Political and Social Development of China and its Intercourse with Other Nations

The Sino-Japanese Crisis in Manchuria

Is The U. S. Playing A 'Deep Game' In China?

More on the Legation News Incident

Chinese Silk-men Worried over Japanese Over-Production

By Paul K. Whang

The Christian General at the Crossroads

By Charles Dailey

Chiang Kai-Shek At Home

By M. & W.

密勒氏評論報

SATURDAY, SEPTEMBER 17, 1927

THIRTY CENTS A COPY

Vol. XLII. No. 3.

Millard Publishing Co., No. 4 Avenue Edward VII, Shanghai, China 上海愛多亞路四號密勒氏評論報館

42-073

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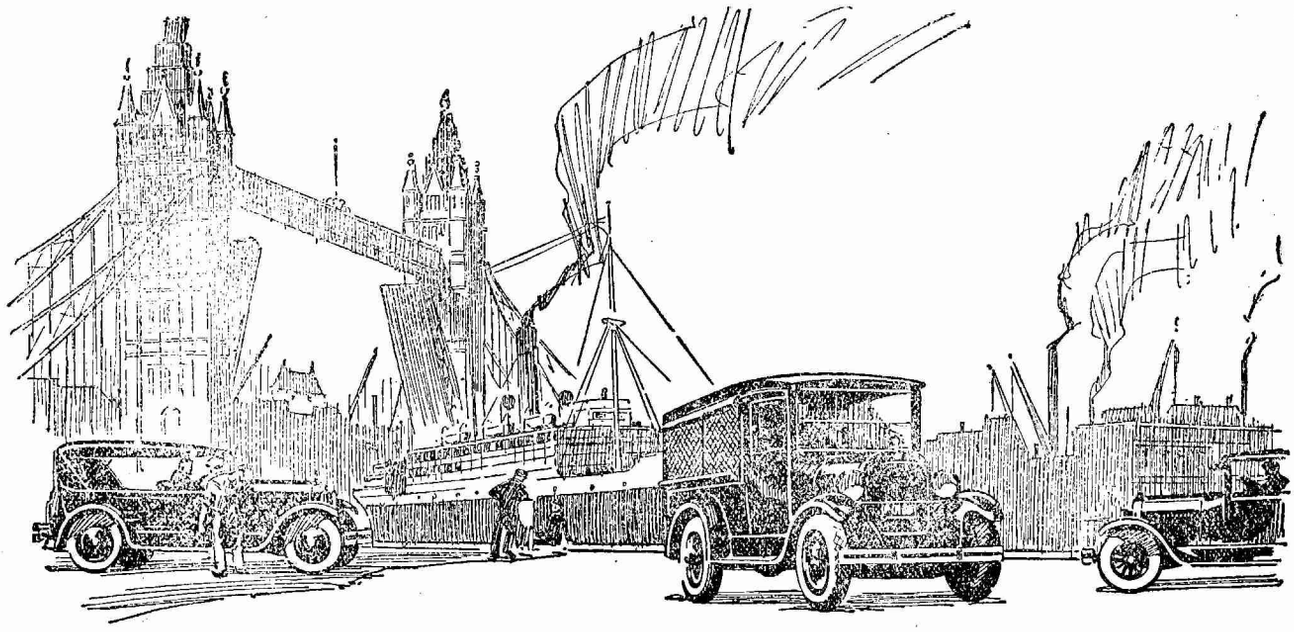

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E. W. Frazar & Co., 24 Santiao Hatung, Peking
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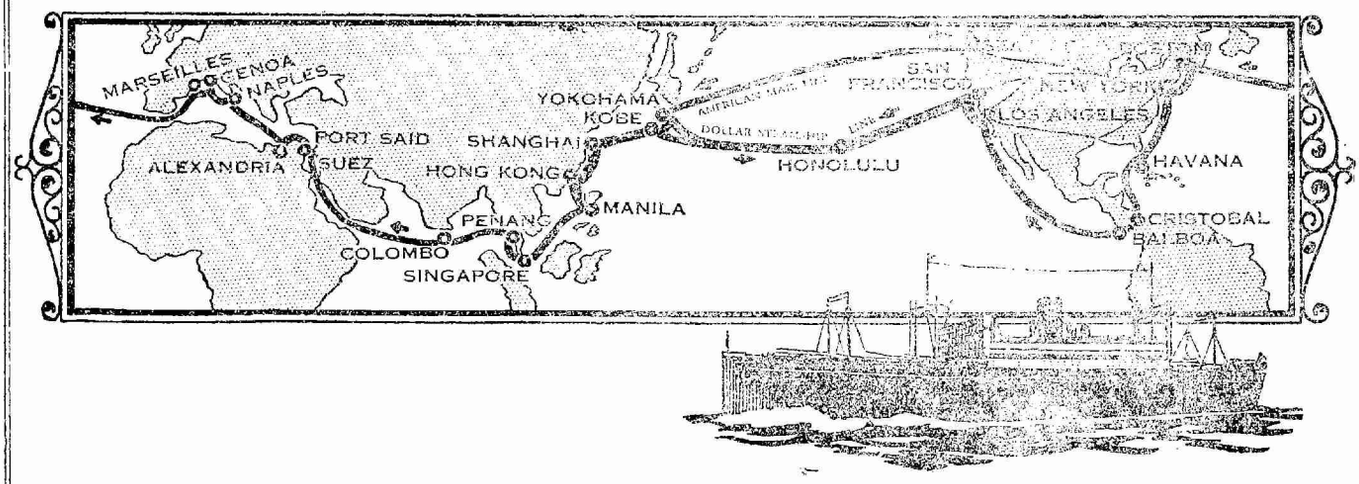

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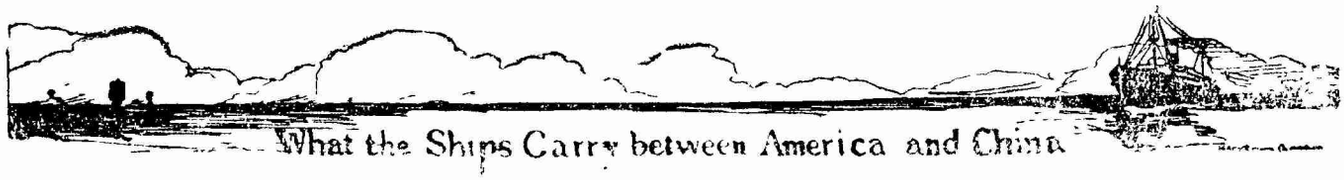

Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces; Mil's—thousands; Hk. Tls.—Haikwan Tls., Aug. Customs Rate Tls. 1.45 equal Gold $1

CITY OF JOHANNESBURG, August 10. from U. S. A.

Steel, Galvanized:		
Sheets, 1/8 in. thick..	Pls.	623
Tinned Plates, Plain...	,,	2,936
Steel, Galvanized:		
Sheets, Corrugated..	,,	879
Paper, Unclassed	,,	5,044
Tobacco, Leaf	,,	49
Oil, Lubricating, Mineral Galls.		12,498

PRESIDENT PIERCE, August. 12. from U. S. A.

Timber:		
Softwood, Merchantable on Net Measure ...	Sup ft.	427,524
Softwood, Clear, on Net Measure...	Sup. ft.	38,176

TENYO MARU, August 13. from U. S. A.

Lead, in Pigs	Pls.	2,521
Asphalt	,,	25,288

AMAZONE, August 13. To New York.

Silk, Raw, Re-reeled:		
White, other Ports Bls. 36.....	Pls.	36.20
Silk, Raw, Steam Filature:		
White, Shanghai Bls. 35	,,	34.76
Hats, Buntal Fibre....	Pcs.	240

PRESIDENT TAFT, August 13. from U. S. A.

Copper Ingots.....	Pls.	420
Asphalt	,,	103
Canned Asparagus	,,	19
,, Fruits	,,	203
Hemp, Manila.....	,,	38
Ink, Printing.....	,,	5
Leather, Calf.....	,,	4
Macaroni	,,	13
Oranges, Fresh.....	,,	877
Paper, Chipboard	,,	291
,, Writing.....	,,	2
,, Unclassed	,,	9
Raisins	,,	188
Sugar, White	,,	26
Chocolate	Lb.	500
Coffee	Catties	825
Canned Goods, Unclassed	Doz.	124
Oil, Lubricating, Mineral Galls.		50,666
Lemons Fresh	Mille	357
Treasure:		
Silver Bars....Hk Tls.		664,766
From Philippine Islands.		
Canned Asparagus ...	Pls.	31
,, Pineapples....	,,	610
Tobacco, Prepared in Bulk	,,	4
Coffee .....Catties		746

TAIYO MARU, August 15. To San Francisco.

Cotton, Rags	Pls.	375
Intestines, Sheep's....	,,	5
To Houston.		
Hair, Human Humps	,,	136
To New York.		
Silk, Raw, Steam Filature:		
White, Shanghai Bls. 60	,,	59.70
Silk, Piece Goods...	,,	2.75
Hair, Yak.....	,,	5

ATREUS, August 15. from U. S. A.

Antifriction Metal	Pls.	9
Iron Nails	,,	8
,, Pipe Fittings....	,,	8
Iron, Galvanized:		
Pipe Fittings.....	,,	16
Steel, Galvanized:		
Wire Shorts	,,	1,532
Asphalt Cement.....	,,	1,680
Grease, Lubricating, Mineral	,,	9
Soda, Caustic.....	,,	525
Tobacco, Leaf	,,	776
,, Prepared, in bulk ..	,,	4
Tobacco, Prepared in Packets	,,	7
Oil, Lubricating, Mineral Galls.		1,699

MAYA MARU, August 15. From U. S. A.

Tinned Plates, Plain ..	Pls.	1,668

RHINE MARU, August 16. From U S. A.

Iron Hoops	Pls.	132
,, Scrap, ...	,,	239
Milk, Evaporated.....	,,	273
Timber:		
Softwood, Ordinary, Sawn.....	Sup. ft.	204641

VENICE MARU, August 16. From U. S. A.

Cotton, Raw..	Bls. 100 ,,	333
Gum, Rosin.....	,,	4,000
Tobacco, Prepared, in Tins	,,	6
Wax, Paraffin	,,	412
Cigarettes	Mille	30

WEST ISON, August 17.

Timber:		
Softwood, Logs	Sup. ft.	76,664
,, Clear	,,	212,165
Softwood, Merchantable	,,	223,765
Softwood, Ordinary, Sawn	Sup. ft.	188,307

JAVANESE PRINCE, August 18. From U. S. A.

Aluminium Sheets....	Pls.	15
,, Foils	,,	295
Steel Pipes	,,	179
Steel, Galvanized:		
Pipes	,,	83
Wire Shorts.....	,,	797
Tinned Plates, Plain ..	,,	840
Ammonia, Sulphate of.	,,	840
Starch Corn	,,	210
Grease	,,	30
Lampwick	,,	18
Paint	,,	53
Petrolatum	,,	117
Paper, Blotting	,,	19
Stearine	,,	75
Soda, Caustic.....	,,	525
Tinfoil.....	,,	30
Tobacco, Leaf	,,	1,331
Shoes	Pairs	624
Oil, Lubricating, Mineral Galls.		5,972
,, Transformer	,,	2,700
Machinery	Hk. Tls.	9,938

Weekly Cotton Market Report

By J. Spunt & Co.

China Cotton:—Our market during the past week has shown greater animation than has been experienced during any time of the current year in respect of the demand for the local staple both for spot and forward deliveries. Prices naturally advanced by about Tls. 1.00 per picul and the tendency for the time being inclines more to firmer markets as the available old crop stocks become more and more depleted and holders of stocks both in the interior and in the settlement being apparently well financed, are looking forward to more favorable returns on their holdings and are encouraged in their attitude by assuming a definite shortage in this season's U. S. A. crop and an expected shortage in the Indian crop which form indisputable factors in determining prices on the merits of supply and demand. Having the foregoing in view it therefore naturally follows that purchases at present rates would ultimately prove profitable.

Yarn:—While our market during the early part of the week intimated a firmer tendency, a somewhat easier undertone ensued at the close due to the proximity of the Mid-Autumn Festival, and the net change in prices shows an advance of Tls. 2.00 to Tls. 3.00 on that of the previous period. Business for export has been booked some 9000 to 10000 bales in all counts during the week under review.

Liverpool:—

American-Middling	12.23
American-Middling last reported	12.23
Tone of the Market, *Firm*	

New York Market:—

Price of Mid-Amer.	23.90 Spot.
	23.70 Oct.
	24.00 Dec.
	24.07 Jan.
	24.24 Mar.
	24.30 May.

Tone of the market—*Strong*

Indian Market:—

Fully Good Bengal, D./J.	395
Fine Oomra, July.....	449
Fully Good Broach, J./A.	481

Tone of the market—*Strong*

Shanghai Market:—

	Tls.
Tungchow, spot exwharf	42.00
Shangh i, Spot.....	41.50
M. Ginned, Spot.....	42.00
Shensi, No. 1 Spot.....	43.50
Ningpo. Spot, Exwharf.	38.60

Tone of the market—*Firm*

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Grover Clark, Editor

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(Continued from page 81)

September 12—More than 500 officers and marines of Japanese landing force at Shanghai depart for Japan—Japanese *Toho* report from Peking alleges that Borodin is still at Loyang and Gallen at Hankow—*Toho* report states that Sun Chuan-fang's troops are still holding Pengpu and that Gen. Chang Chung-chang is concentrating his forces at Hsuchowfu—Cantonese forces at Canton advance to Chiaoling, to number of 10,000 for purpose of opposing 'communist' troops under generals Ho Lung and Yeh Ting—Cantonese General Li Chi-shen also sends trooops to defend Swatow—*Toho* report states that negotiations between Chang Tso-ling and Yoshizawa regarding questions in Manchuria and Mongolia have been suspended for a time owing to the anti-Japanese agitations in Manchuria and possible bad effect of the negotiations on Chang Tso-ling's position in Peking—Chinese agitators seize Japanese motor-car in Mukden; M. Mori, Japanese police officer seized and mobbed in Mukden—Hankow report states that some of Gen. Ho Lung's troops which were defeated in Kiangsi have invaded Hunan, creating serious situation requiring Gen. Tang Shen-tse to return immediately—Marshal Tuan Chi-jui, who has been staying in Dairen returns to Tientsin—Japanese suppress student agitations and strikes in schools in Leased Railway area—Chinese agitations in Manchuria shift from from Japanese to Chang Tso-ling—Nationalists issue proclamation to effect that postponement of enforcement of new tariff rates and likin abolition is only temporary and that the new laws will shortly be enforced—*Kuo Min* report announces personnel of Central Executive of Nationalist Government—*Kuo Min* publishes summary of Nationalist receipts and expenditures showing receipts of $54,448,270.51 and expenditures of $53,585,329.12—Gen. Chin Yun-peng, in Peking starts agitation for conference between North and South, but *Kuo Wen* states that he is only trying to get himself appointed premier in place of Pan Fu—Martial Law declared in Hankow owing to threatened communist uprising—Large consignment of German arms arrives in Tsingtao for Chang Chung-chang—Military committee of Nanking Government demands immediate evacuation of school property by Nationalist troops.

September 13—Japanese Admiral Araki, commander of Japanese China fleet aboard gunboat *Ataka*, departs for Chungking on inspection trip—*Toho* report from Mukden states that Japanese merchant named Matsutaro Onishi, aged 57 years, killed by Chinese mob, Japanese report alleging that Chinese police helped mob; Japanese police arrest Chinese police—*Toho* report from Mukden also states that Chinese mob trampled Japanese flag which had been hoisted in honor of the birth of an Imperial daughter and that Japan is contemplating "strong steps"—Japanese report states Yang Yu-ting, Fengtien chief of staff is departing from Peking for Mukden immediately for the purpose of "trying to make the Chinese understand that Japan's policy toward Manchuria and Mongolia is of a most friendly nature and has no aggressive purposes whatever" and that Gen. Yang will immediately "exterminate the agitation against Japan"—Wu-han Governmental officers begin removal to Nanking—*Kuo Min* report denies that Gen. Tang Shen-tse will return to Hankow, claiming he will remain at Anking conducting the campaign aginst Sun Chuan-fang—Various Nationalist officials and Kuomintang party leaders who have been in Shanghai depart for Nanking for conference to open on 15th—Nationalist troops claim to have captured Hwaian and Tsingkiangpu on Grand Canal with large stock of munitions.

(Continued from page 76)

Nationalist Government to be established in Nanking. The so-called Communist elements in the Party have been driven out and according to latest reports, Madame Sun Yat-sen, Eugene Chen, Chen Tu-shui and Teng Yen-ta, have gone to Moscow. Of more serious import than this, however, is a report that a so-called communist army consisting of more than 30,000 troops under the generals Ho Lung, Yeh Ting and Chang Fa-kwei is now in Northern Kwangtung province awaiting the opportunity of marching on Canton. If this move is successful it will immediately cut off the Nationalists in the Yangtsze Valley from revenues in Canton amounting to approximately $4,000,000 annually.

The Military Situation

Owing to the shortage of railroad engines and cars, the Nationalist troops which crossed the Yangtsze at Nanking following the defeat of Gen. Sun Chuan-fang's forces have made slow progress in following up Sun's retreating troops. The Nationalists announced several days ago that they had captured the strategic town of Pengpu on the Tientsin-Pukow Railway in Anhwei, but reports from Peking early this week state that Gen Sun still holds the place and that Chang Tso-ling is rushing reinforcements of men and heavy artillery to the place to prevent the Nationalists from occupying it, the Northerners knowing that in case Pengpu is lost to the Nationalists that Hsuchowfu, located at the junction of the Tientsin-Pukow and Lung-Hai Railways will be impossible to hold.

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密勒氏評論報

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

中華郵政特准掛號立券之報紙

Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China

VOLUME XLII SHANGHAI, CHINA, SATURDAY, SEPTEMBER 17, 1927 NUMBER 3

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 4 AVENUE EDWARD VII, SHANGHAI CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

J. B. POWELL, Editor and Publisher
LIZEN SCHENG, Advertising Manager

CONTRIBUTING EDITORS

HOLLINGTON K. TONG, KAN LEE (Nanking)
HIN WONG, (Canton) BRUNO SCHWARTZ (Hankow)
CHAS. A. DAILEY (Peking) WM. STEPHEN WANG (Tientsin)
H. P. SHASTRI SAMUEL H. CHANG (S'hai)
LAWRENCE IMPEY (Peking)

YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TEN DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES SEVEN DOLLARS AND FIFTY CENTS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 4 AVENUE EDWARD VII, SHANGHAI, CHINA. TELEPHONE CENTRAL 4741. CABLE ADDRESS "REVIEWING SHANGHAI."

AMERICAN OFFICE
WORLD WIDE NEWS ASSOCIATION
303 Fifth Avenue, New York City
Telephone: Caledonia 5300; Cable Ad; Scholzem, N. Y.
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THE SINO-JAPANESE CRISIS IN MANCHURIA

IT ISN'T NECESSARY to go back to the treaties and point to articles and sections to prove that a serious crisis is impending in Manchuria which is of very great significance from the standpoint of China's future control of that important section of her territory. The present Government in Japan is now engaged in instituting a new 'positive' policy in Manchuria and Mongolia and if Japan is successful in putting it over, China might as well say goodbye to those territories for they will shortly be incorporated into the Japanese Empire. All of the ramifications of the new 'positive' policy are not known, but Japan is demanding the right of land ownership for her nationals; she is demanding that the Chinese cease construction of certain railways which may interfere with the monopoly of the Japanese-owned South Manchuria Railway; she is demanding the right to open certain new consulates which the Chinese know will serve as centers for further Japanese penetration; Japan is demanding the right to exploit certain native resources of Manchuria and Mongolia for the sole interest of Japan rather then for China. And finally, Japan has given definite orders that the Nationalist revolution must be kept out of Manchuria and Mongolia. On Sept. 7. Mr. Jotaro Yamamoto, the new president of the South Manchuria Railway (recently appointed because of his known inclinations in respect to a 'strong' policy), in a dispatch sent out by the *Toho* (semi-official) Japanese news agency, declared that "The fundamental policy of Japan toward Manchuria was based upon Japan's necessity for importing Yen 700,000,000 worth of raw products from Manchuria and Mongolia annually; Japan desires to develop Manchuria and Mongolia for the purpose of solving the food and population problems of Japan; the South Manchuria Railway will devise 'legitimate' means for accomplishing the foregoing ends."

MARSHAL CHANG TSO-LING, long the catspaw of Japan in Manchuria is now out in the open attempting to suppress the anti-Japanese agitations which have broken out among the Chinese in Manchuria and Mongolia as a result of the new Japanese demands. Marshal Chang is forced to take this action owing to the fact that he has so committed himself to the Japanese for financial and military support against the Nationalists, that he is no longer a free agent. He now becomes the open agent of the Japanese in suppressing anti-Japanese agitations among his own people. To put it in still simpler language Marshal Chang has sold Manchuria to Japan and now he is trying his best to make delivery of his people's heritage to a foreign nation.

42-081

It is therefore not unexpected that the anti-Japanese agitations in Manchuria and Mongolia, should finally turn against Chang himself. The Chinese people have ousted traitors before who were just as strongly entrenched as Marshal Chang seems to be today; hence the future moves in North China will be watched with interest. If the Manchurian situation is left to the Chinese people in Manchuria alone they are bound to lose for the reason that Japan can throw a sufficient military force into the area to clamp down the lid just as securely as it is clamped down in Korea. But this would mean outright occupation and it is questionable whether Japan is quite ready for that action at this time. However, Japan may do just this in the foolish belief that the present crisis in British-American relations may provide the great opportunity for grabbing what her imperialists have always wanted in North China. The real solution of course rests with the Chinese Nationalists, whether those 'nationalists' are located in Canton or Mukden. Just now the South China nationalists are trying to compose their differences and unite on a common policy. It would seem that Japan and Chang Tso-ling have provided the nationalists with the best possible incentive for the burial of personal differences es and unification against the enemies of the nation.

SAYS U. S. IS PLAYING A "DEEP GAME" IN CHINA !

A BRITISH missionary who writes an article in the *Shanghai Times* every Monday morning under the pseudonym of "Cymro" says that "in the opinion of some people who study these matters, the United States is playing a deep game by the policy it is pursuing in China." In explanation of just what the 'deep game' is the writer in the *Times* alleges that the United States is willing to put up with temporary losses incidental to present-day disorder in China because America has her eyes on the China of the future which will provide a vast market for American goods. "The Far Eastern policy of the United States," in the opinion of this British writer, "is based on the preparation of future markets for the distribution of the increasing production of the United States." Just now, he argues, America has difficulty in meeting European competition owing to the low buying power of the Chinese. Therefore America is not unconcerned in the fomenting of disorder in China, for America hopes that out of this disorder may come great changes in China, resulting in increased purchasing power of the Chinese, thus providing better markets for American produce. In this connection 'Cymro' repeats the old fake previously circulated by the Constitutional Defense League (British) of Shanghai which charges America with secretly financing communist activities in China. The story is a bit circuitous but he puts it this way: America lends money to Germany; Germany advances the money to Russia; and Russia in turn uses the American money for propaganda in China. Thus, America is the real 'nigger in the woodpile' of Chinese disorder. We would suggest that 'Cymro' might clear up his confusion on this point by making inquiry of the local managers of the Standard Oil Company of New York, for according to recent report that capitalistic concern has just advanced or, is preparing to advance, a loan of some G. $75,000,000 to Soviet Russia in exchange for certain petroleum contracts. If 'Cymro' is correct all of these gold dollars will shortly be rolling into China for the purpose of creating a political upheaval in order that China's purchasing power for American kerosene may be increased.

THIS ARGUMENT by 'Cymro' is on a par with that of many English writers who always profess to see something deep and obtuse in American policy. He says, "America can look without concern on the recovery of Russia for no American interest would be prejudiced. Unlike Japan, America can contemplate without misgiving the rejuvenation of China. In this respect too, the interests of Washington and London are unlike. A powerful, united and peaceful Russia may threaten a wide British empire. An independent China may affect the interests of Britain as a colonial power in the East." 'Cymro' thus lets the cat out of the bag as to British policy, or at least his conception of British policy, in the Far East: Keep Russia in turmoil and keep China down. Thus are the interests of the British empire protected. Why doesn't he go still further and suggest the partitioning of America into 48 weak and mutually hostile states, and while he is at it he might again reduce Canada, Australia and South Africa into weak subject colonies and also bring Ireland back into the fold of the helpless. The argument is too silly to waste time on for serious-minded readers, but if 'Cymro' is really interested in knowing the inwardness of American policy toward Oriental states it is based first on the American conception of human liberty or self-determination, a matter which the Americans first settled for themselves in the American revolution against European domination. Europe contemplated the New World as a place for weak colonies with an undeveloped hinterland to be used by the Hudson Bay Company as a place in which to trap furbearing animals. The early American colonists, nearly all of them Englishmen, objected to this and rebelled. The rest of the story is well known. From the standpoint of China, the American people believe that a Chinaman has the same inherent right to life, liberty and independence as has the American, Englishman, German, Frenchman, or anybody else. Then, further than this America has a suspicion that most of the trouble in this part of the world is due to a weak disorganized China which is unable to defend itself against aggression from without. Therefore, to follow out the argument, American policy is predicated on the theory that if China can become strong, democratic and independent, that European aggressors will have to look elsewhere for victims. And not to disappoint 'Cymro' American manufacturers *do believe* that a strong, democratic and independent China, would be a better market for American goods than a weak, disorganized and semi-colonial country, which China now is.

OF INTEREST in connection with the foregoing consideration of American policy toward China is the following letter which was written to *The Shanghai Times* by Mr. Clarence D. Alpert, a senior student in the University of California who was in Shanghai last week. For some reason, according to Mr. Alpert, the *Times* did not print his letter.

To the Editor, *The Shanghai Times*:

> May I hasten to congraduiate the editor of your esteemed paper for his magnificent courage, keen vision, and almost uncanny forsight in publishing "Cymro's" views upon the Chinese situation and particularly, the phase dealing with America's subversive and anti-Christian part in the Chinese revolution.
>
> It is high time, sir, and indeed, fortunate, for all peaceful and loving Christians who still have hopes of building a rational and just world, that someone has stepped forward at last and with true and noble courage and unquestioned comprehension of what is going on under the surface of things, exposed America's lustful passions and her secret loans of huge sums of money to Bolshevik Russia. It was ably pointed out that the purpose of these loans to is enable the communists to carry on to a successful

culmination, their unlawful and shameful efforts to build up the labor unions of China so that the purchasing power of the Chinese masses will be increased to such an extent that America will be able to sell them her over-produced commodities at exorbitant prices and thus completely ruin Great Britain and Japan, the only two nations which have dared to fight for a free Asia—stripped of foreign domination!

I am not far advanced in age, nor have I yet exhausted all the books, periodicals, newspapers, published diplomatic records and secret treaties, that are available for the student of world affairs, but I do not doubt for one moment that everything "Cymro" has said is true and is borne out by all the facts. Anyone who takes the trouble to read one-tenth of what has been published must arrive at the same conclusion. Someone is bound to say, "How about the fact that the United States has refused to recognize Russia?" There is only one answer to this. (I hope "Cymro agrees with me) This has been done merely to pull across the stage a confusing screen to mislead the rest of us and cover up her sinister plot which is being carried out behind the scenes.

I repeat, sir, all the evidence points to "Cymro's" contention that America and the Bolsheviks are working hand and hand to dominate the world!

I, for one, am most grateful to you for publishing these facts. You have, by so doing, brought nearer the day when international relations shall be inspired by love and guided by knowledge. Every true Christian must always remain indebted to your paper.

C. D. A.

Shanghai, Sept. 5, 1927.

FURTHER INFORMATION ON THE LEGATION NEWS INCIDENT

IN THESE columns of *The Review* on September 3 there appeared a brief discussion of an incident at the American Legation in Peking last spring wherein the American Minister, Mr. MacMurray attempted to bar from the news facilities of the Legation the Peking correspondent of the *United Press* on the grounds that the *United Press* was publishing news regarding the situation in China with which Mr. MacMurray did not agree. The last mail from the United States brings further information on this incident and possibly throws some light on the reasons for Mr. MacMurray's recall to Washington "for a conference." The following dispatch on the subject appeared in the *New York Herald-Tribune* on August 14:

By Arthur Ruhl

Staff Correspondent N. Y. Herald-Tribune

Williamstown, Mass., Aug. 13—Thomas F. Millard, veteran Far Eastern correspondent and former publisher of Shanghai, cut loose at the Institute of Politics to-day in an attack on the attitude of the American Legation in Peking and of certain of the American Consulates in China. Mr. Millard spoke specifically of the American Minister, John Van A. MacMurray, and less specifically of his subordinates.

Briefly, Mr. Millard accused Mr. MacMurray of being at odds with the traditional attitude of the United States toward China and with the present policy of the State Department. The American Legation, he said, "was subjected to the full force of the foreign psychosis" in Peking, and the members of the Legation personnel "were not of a character to resist such influence."

Reactionary Attitude Charged

Backing up his complaints with concrete evidence in the shape of names, dates and specific incidents, Mr. Millard accused the Legation of trying to censor news, of disciplining correspondents whose news dispatches were not agreeable to it, and, in general, with co-operating with other foreign agencies in an attempt to mislead public opinion at home in regard to the real significance of the Chinese revolution and to bring about a situation in which armed force would be used to uphold the old treaty status.

"Either," said Mr. Millard, "Washington should adapt our policy to meet the European point of view or we should replace our present diplomats with men who have a clearer conception of the ultimate objective of our government in that part of the world.

U. S. Policy Diverted, He Says

"The latest international crisis in China differed from previous ones in that diplomatic agents of our government in China apparently wanted to subvert, and did divert, the American policy. They obstructed the line of action which the State Department desired to follow.

"American business organizations in China also took that position. Furthermore, which is more consequential, the Chinese know of that attitude and those efforts.

"Operation of American policy over a long period had created among Chinese a good will for America almost unique. In recent years American diplomats sent to China were not confronted with a task of creating good will there. They needed only to hold what already existed. They had only to keep in line with motives and objectives of the established China policy of our government cogently expressed by the phrase of John Hay: 'To preserve the territorial integrity and political autonomy of the Chinese Empire.'

"Since the monarchy was overthrown it has been thought necessary at times to support that basic principle by efforts to prevent outside interference with the revolution. Obviously, interference by the United States, singly or in co-operation with other powers, stultifies the American doctrine.

"One understands that policies are mutable. The Hay doctrine is not sacrosanct. It may become expedient or advantageous or compulsory to modify or abandon it. If, because of new developments and changed conditions, the policy of the United States toward China ought to be altered, no doubt it is the duty of American officials in China to put that aspect of the situation, and their own opinions, before their government. Such representations usually are private. When it becomes known that a diplomat holds opinions considered inimical to the country where he is stationed, and that he has urged his government accordingly, it makes his position there difficult and usually untenable.

"With the Chinese political intelligentsia, regardless of political grouping, determined to change the treaties, and supported by a powerful mass psychosis, the American Legation seemed to forget or lose sight of the fundamentals of American policy, and they turned to that policy's comparative antithesis, the treaty stipulations, for guidance. The legation tried to go along with the diplomatic corps."

The phrase "international co-operation" often cloaked selfish ends, Mr. Millard said, "and the American Legation's amenability to so-called international co-operation continually gets it out of harmony with our government."

Cites "Drive" for Intervention

The Nanking incident, he said, was used as the basis of a "drive" for intervention.

"To affect public opinion outside China," he said, "an extraordinary propaganda began, exaggerating the perilous situation of foreigners there, misrepresenting the attitude and purposes of the Chinese Nationalists, emphasizing horrifying details, exploiting imaginary and innocuous plots for the massacre of foreigners, working up artificial panics among foreigners in China and describing feverish work on defensive measures.

"There was enough reality in events and conditions to make the propaganda impressive. But the broad political purposes underlying it, and its bias and exaggeration, were palpable. I believe that some so-called defensive and precautionary measures of the foreign authorities at Shanghai, Peking and at other places during that crisis were done for effect in the home countries, to build up a psychology favorable to complete armed intervention. Of foreign officials in China none seemed to surrender more completely to the panic psychology than our legation and some of our consuls did."

It was generally believed in Peking, Mr. Millard said, that the American Minister, as one other foreign diplomat put it, "had promised to deliver his government, but had failed to bring it off." In any case, the *United Press* sent to China a message stating that instruction sent to Minister MacMurray by the State Department did not authorize him to join in the ultimatum of the powers. He continued:

"Among the newspapers in Peking that received that dispatch was '*The Peking Leader*,' published under American editorship. Realizing the significance of that news, the editor telephoned to the American Legation and read the dispatch to Mr. Ferdinand Mayer, Counsellor of Legation.

"Mr. Mayer seemed surprised and flustered and he asked the editor not to publish the dispatch, intimating that its publication would embarrass the Legation. The

editor pointed out that the dispatch would go to other newspapers (Chinese) in Peking and to newspapers elsewhere in China, in Japan and the Philippines, and the same news would be published in America, but he consented to hold the dispatch."

The dispatch later proved to be substantially correct, Mr. Millard said, but the *United Press* representative was summoned to the Legation and reproved, and later because of what Mr. Millard thought were strictly legitimate news activities, he became persona non grata and was forbidden to visit the legation for the usual press conferences. In answer to remonstration from the *United Press*, Mr. Millard said, Minister MacMurray explained, that Randall Gould, the United Press correspondent, was suffering from a nervous breakdown and was irresponsible. Mr. Gould thereupon had himself examined by three well known physicians, who did not find, Mr. Millard said, any such symptoms. Other newspaper correspondents, according to Mr. Millard, began to be "subjected to intimidation and persecution" by the American Legation.

Millard's Charges

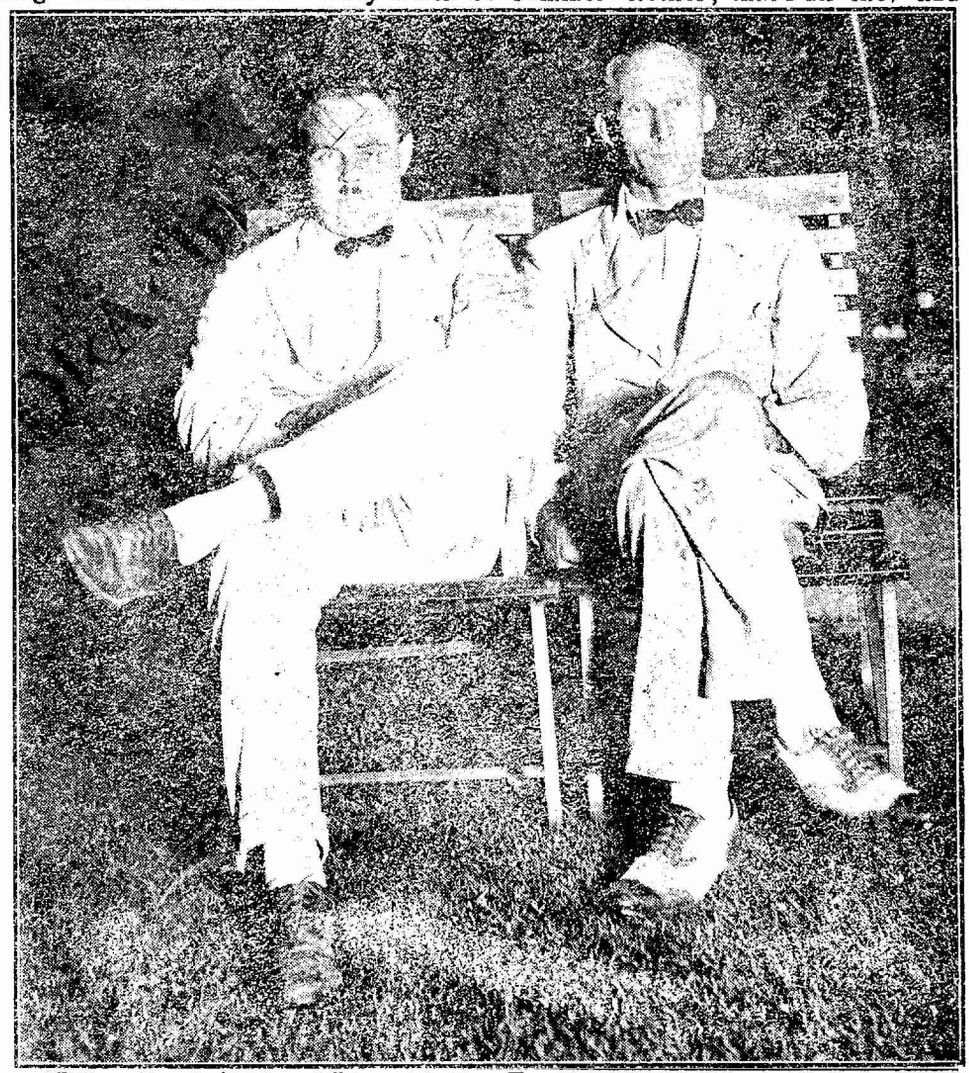
(The following editorial pertaining to the charges of Mr. Thomas F. Millard referred to in the foregoing, appeared in the Baltimore Sun on August 14)

It is a very grave charge that Mr. Thomas F. Millard brings against our diplomatic representatives in China, in his address at the Institute of Politics in Williamstown. Famous for many years as one of the ablest and soundest of Western newspaper correspondents in China, Mr. Millard says our Legation in Peking favored a policy of force in China and tried to influence the State Department in that direction. He also says the Legation attempted a censorship on the ground, suppressing information sent it by the State Department for public knowledge, intimidating and persecuting independent American publishers and correspondents in China and barring from the press conferences in the Legation the head of the *United Press* bureau.

These are charges, coming from a man of Mr. Millard's position, that should not be ignored. The State Department should investigate them promptly, disprove or confirm them and take suitable action. Mr. John V. A. MacMurray, the American Minister to China, is one of our younger diplomats and has enjoyed an enviable reputation. He has been looked upon as a thorough student of Chinese affairs, as an indefatigable worker and as a fair man. But if he has slipped into the ways of the traditional diplomacy in China, he can no longer be profitably employed there. If, on the other hand, Mr. Millard is in error, Mr. MacMurray should be publicly vindicated.

"Pride Of Detroit" Welcomed In Shanghai

SHANGHAI was merely a link in the record-breaking airplane flight of the intrepid Americans, William Brock and Edward Schlee in the "Pride of Detroit," but nowhere was the interest in their feat greater than here on the banks of the Wangpoo. The most interesting feature of the flight is its informality. Here we have two adventurous men, Schlee who "cleaned up" in the Texas oil fields and went into airplane designing and manufacturing, and Brock, a professional airman with thirteen years experience. They happened to be in Washington to attend a reception being given to Lindbergh, having flown there from their home in Detroit in their plane. The suggestion was made by one or the other, "Let's fly round the world," and no quicker said than they started off, without preparation, almost unheralded, and without even a definite route before them. Certainly they had no proper maps as their experience in Shanghai showed. All they had was a rough sketch given them by a British army officer in Hongkong showing, of course, the Race Course, where they were recommended to land. The British at Hongkong had warned them against landing in Chinese territory, for fear their plane might be seized. These intrepid flyers had not even taken the trouble to ask permission to make their flight, Now, contrast this with the flight made four years previously under the auspices of the American Navy. Then preparations were made at all the points on the schedule, well on to a year in advance. Supplies of gasoline were provided for, relay planes were ready at the principal stopping places, and generally the flyers were nursed almost like infants. When Schlee and Brock stepped off their plane in Shanghai they wore two dirty suits of summer clothes; that's all they had



William Brock (left) and Edward Schlee, Two American Airmen Who Landed in Shanghai Last Saturday on Their Way Around the World.

with them. This wastypical of the informality that characterized the whole event.

FOUR years have made a great difference in airplane efficiency, particularly in the motor. When the Navy flew round the world in 1923 engines and motors were only able to stand the strain for several days. Then new machines had to be provided. America, which lagged behind for many years in the science of aerial navigation, has suddenly leaped to the forefront. It is not merely that American intrepidity has asserted itself, but American engineering skill has shown its superiority in a field in which Continentals in pre-war days and particularly during the war largely excelled. The Wright Whirlwind motor explains largely Lindbergh's success and also the success of Schlee and Brock—that and aeronautical skill. The "Pride of Detroit" is a Stimson-Detroiter monoplane. It left the United States, from Old Orchard, Maine, August 26, and touched the points named as listed below:

Newfoundland, August 27; Croydon field (London, England), August 27; Munich (Germany), August 28; Belgrade (Servia), August 29; Constantinople (Turkey), August 30—Here there was a delay of a day waiting for government permission to continue the flight—Aleppo (Asia Minor), September 2; Bander Abbas (Persia), September 3; Karachi (British India), September 4; Allahabad (British India), September 5; Calcutta (British India), September 6; Rangoon (Burmah), September 7; Bangkok (Siam), September 8; Hanoi (French Indo-China), September 9; Hongkong (British Colony), September 10; Shanghai, September 11.

IN SHANGHAI a large crowd awaited the arrival of the "Pride of Detroit" at the Race Course, and the spectators were given quite a thrill. After circling about the town for nearly an hour trying to find a suitable landing place the plane came down suddenly and apparently was going to land at the Course, but at the last moment the pilot changed his mind, as he felt that the space was too limited, so upward they swooped again, all but touching the edge of the new China United Assurance Building on Bubbling Well road, opposite the Course. The plane then continued on its circling tour, flying first to Kiangwan, but not alighting, but from there they spied the Hungjao field and there it was that they eventually landed. The airmen accepted the hospitality of a nearby British resident, Mr. W. J. Hawkings, for the night, refusing all other offers. The plane was guarded through the night by a squad of Chinese soldiers and a number of American residents of Shanghai who gladly volunteered for the service. Although the local Chinese authorities had only received notification regarding the flight the day previously, they granted all facilites for flying over and landing on Chinese territory and officially promised "not to seize the Pride of Detroit's wings." They set off for Japan early Monday morning at daybreak, several hundred spectators, including a host of photographers and movie men, assembling to see them off. At the moment of writing the "Pride of Detroit" is somewhere in Japan, where the flights have been delayed owing to bad weather. The proposed route from Tokyo is via Midway Island and Honolulu to San Francisco, but the weather indications are such that a successful flight seems almost impossible.

When It Was Unsafe for Foreigners in Japan!

BY J. B. P.

WHENEVER one mentions the fact that internal conditions in Japan prior to the relinquishment of the foreign 'special position' were not greatly different from prevailing conditions in China today, he is always met by the declaration, "But things were different in Japan; the Japanese were more advanced; they were more 'civilized' than the Chinese are today." This usually ends the argument, because it has been difficult heretofore to obtain accurate information regarding conditions in Japan prior to the revision of the treaties which conferred a special position on the foreigners in that country which was not greatly different from the special position of the foreigner in China today.

Therefore it is interesting and also significant to find in the pages of "A New-Englander in Japan," (Houghton, Mifflin Company, Boston) an account of conditions prevailing in Japan for the decade or so preceding the revision of the so-called 'unequal' treaties. The book is an account of the life and activities of Daniel Crosby Greene, the first missionary sent to Japan by the American Board in 1869. It was written by Evarts B. Greene, a son of Daniel Crosby Greene and a brother of Roger S. Greene of the China Medical Board, Rockefeller Foundation, Peking. And it is an interesting story, especially the parts dealing with conditions in Japan at that time for we read that when the Dutch Reformed, Presbyterian and Protestant Episcopal boards sent their first missionaries to Japan in 1859, that "the edicts against Christianity continued in force for more than a decade, anti-foreign feeling was still intense, and the country was distracted by internal conflicts. All these conditions contributed to prevent any appreciable progress in direct missionary effort."

We learn, for example, that a successful revolution ended the old dualism between the nominal rule of the Emperor at Kyoto, and the actual though weak, government of the Shogun at Tokyo, thus preparing the way for an effective centralized government. This took place in the decade following 1859 and while the anti-Christian edicts had not been repealed the way was gradually paved for a new policy of foreign intercourse. There were no railways in Japan at that time and even the jinricksha had not come into general use; hence it was necessary to travel by the *basha*, a sort of horse-cart. In traveling along the coast road which connected Tokyo and Kyoto, Mr. Greene tells of passing the place where the so-called 'Richardson affair' occurred wherein an Englishman had failed to pay proper respect for a feudal procession and was killed for his lack of good manners by one of the two-sworded *Samurai*, whose activities had been the source of so much anxiety to foreigners."

In this connection, Mr. Greene wrote at the time, "care had to be taken never to be far from the hotel at dusk when drunken bravos were likely to be abroad." A similarity of condition in Japan at that time to conditions in China recently may be sensed from the following brief description:

"The treaties of 1858 had given the diplomatic representatives of foreign governments the privilege of residence at Yedo, which until 1868 was the seat of government, not of the emperor, but of his viceregent, the Shogun. The former, in the ancient

capital of Kyoto, was the *de jure* sovereign, credited with descent from the gods, and regarded with the highest veneration; but the actual government of the Empire, so far as any central authority then existed, was vested in the Shogun, whose office was hereditary in the Tokugawa dynasty, founded by the famous Iyeyasu at the beginning of the seventeenth century. The actual power exercised by any particular shogun varied according to the strength or weakness of his own personality and the character of his chief ministers. For about two hundred and fifty years before the coming of Perry, this dual system proved fairly efficient in preserving internal order and maintaining the policy of isolation, adopted by Iyeyasu and his immediate successors.

"The overthow of the Shogunate during the next fifteen years was only in part the result of foreign intervention. Among the *daimyo* or feudal tmagnaes, many of whom ruled over their hereditary ndomais with little interference from the central government, and also among their retainers, the two-sworded *samurai,* the spirit of dissatisfaction was steadily growing. This dissatisfaction was partly due to jealousy of the Tokugawa clan, on the part of such leading daimyo as those of Satsuma, in the island of Kiushiu, and Choshu at the western end of the main island. There was also, however, a genuine desire to revive the ancient dignity of the imperial house. Meantime, through the Dutch establishment at Nagasaki, Western ideas were making their way in certain circles, particularly among the so-called 'Dutch scholars.' These men had for some years been urging the need for a more efficient form of government, if Japan was to hold its own in the modern world.

"At first the reopening of foreign intercourse was extremely unpopular, resulting in numerous acts of violence against foreigners and against Japanese officials charged with yielding unnecessarily to foreign pressure.....The natural outcome of the situation was the Revolution or Restoration of 1868, which put an end to the Shogunate and concentrated authority in the Imperial Government under the young Emperor, Mutsuhito. There was some fighting but it lasted for a few months only; and, by 1869, this part of the Revolution was an accomplished fact."

However, according to the author, the rapid changes caused serious friction due to the fact that the conservative elements were alarmed at the sweeping away of time-honored priveleges and the *samurai* constantly complained that pledges had not been fairly kept. Though disagreeing in their positive program, the liberals and reactionaries agreed in attacking the bureaucratic elements in the Imperial Government. Finally, a section of the reactionary opposition, though professing entire loyalty to the Emparor, rose in armed rebellion against his government. This Satsuma Rebellion of 1877, though led by one of the ablest promoters of the Restoration, was quickly crushed by the superior resources of the central Government. The national army, recruited from all classes of society and organized on Western lines, proved itself more effective than the picturesque chivalry of the old-time *samurai.* In 1877 one of the ablest ministers was assassinated. In 1889 the constitution was promulgated; and, in 1890, the first national parliament met in Tokyo.

For those who, through ignorance insist that conditions in Japan were different and more orderly than has prevailed in China since the revolution of 1911, Mr. Greene states that in 1890, the British Minister and his escort were attacked in the streets of Kyoto on their way to an audience with the Emperor. Mr. Greene also relates a story of Lord Redesdale, a member of the British legation, who said, "For nearly four years, I never wrote a note without having a revolver on the table, and never went to bed without a Spencer rifle and bayonet at my hand. The great city through which the furies had been raging so violently, burning temples, setting fire to *yashikis* (residential enclosures), fighting, murdering, crucifying, the streets ringing with the fierce war-songs of the clansmen, was now at peace....It was a blessed calm after the storm. Still it would not have been wise as yet to lay aside revolver and sword...there were always danger lest some fanatic swashbuckler, perhaps in his cups, mig thempty his scabbard in our honor."

On his own behalf, Mr. Greene mentioned the advantages and satisfaction of having foreign guardsmen nearby, and foreign warships in the bay. A further glimpse into conditions is also related by Greene when his Japanese teacher, a Christian, was kidnapped and shut up in a remote prison for nearly a year until he died because of the treatment, and this despite protests by both Greene and the American Minister.

Space is too limited for a detailed review of this informative book which must be read to be appreciated, especially the passages telling of conditions under extraterritoriality, "when the consuls held a more important position in the community than they do now," and when international trade was controlled by a few large companies of various nationalities, the leading American firm in Kobe in those days being Augustine, Herd and Company. Of particular interest are his accounts of the "drunken foreign sailors, who often defied the efforts of the Japanese authorities to preserve order; the profligate habits of many foreign merchants, who enjoyed a sense of emancipation from traditional restraint where 'there ain't no Ten Commandments'; the specifically anti-Christian propaganda of foreigners, whose judgment as scholars and scientific experts in other fields has won the respect of the Japanese. I was particularly distressed to see how respectable vice is in this part of the world. It is horrible'

As stated, this book, "A New Englander in Japan," is of double interest today, in view of changes now taking place in China. Foreign visitors in Japan today and foreigners residing in China at this time through ignorance still tell us that "Japan was different when the foreigners revised their treaties and abolished their courts," but the facts speak differently. Therefore, we heartily recommend perusal of this book to the Shanghai 'die-hards' who have butted their heads agains the walls so long that their brains have become calloused to changed conditions in China and the world without.

TWO PROPOSALS FOR SOLVING THE EXTRATERRITORIAL PROBLEM

THE FOLLOWING interesting proposals for solving the problem of the gradual relinquishment of foreign extraterritorial rights in China were submitted to the Conference on Pacific Relations at Honolulu last month:

(By a British Delegate)	(By a Chinese Delegate)
An interim program capable of immediate execution.	A program for adoption al soon as a stable nationas government is established in China.
1. The Powers recognize the sincerity of the Chinese policy	

of judicial reform, and take note of the substantial progress made.

2. The Powers while conscious of the element of risk involved in precipitate action none the less recognize that action is necessary.

3. The Powers take immediate steps to rid the practice of extraterritoriality of all the abuses that now surround it.

4. The Powers put into operation without delay in their consular courts one or more of the codes of Chinese law already promulgated.

5. The Powers continue to develop this policy, along the lines of the measures proposed by the British Government in the note handed to the Peking and Hankow governments on January 27, 1927; it being promised that these measures represent only the first steps in a deliberate policy designed to settle as many outstanding issues as possible during the period which must elapse before a stable government is established with which a new treaty can be made.

1. That the complete relinquishment of extraterritoriality should be stipulated in a new treaty between China and the Powers concerned, separately or collectively.

2. That by an exchange of notes between China and the Powers the following transitional system for the trial of foreigners should then be established:

(a) Foreigners should come exclusively under the jurisdiction of Chinese modern courts, which means exemption from magistrates, police, and military courts

(b) Five Special Benches should be established in the existing courts at Peking, Shanghai, Hankow, Canton and Chungking.

(c) These modern courts and Special Benches should be courts of first instance for the trial of foreigners.

(d) There should be a court of appeal at Shanghai.

(e) There should also be a Special Bench for the consideration of such cases in the Supreme court at Peking.

(f) Foreign lawyers subject to regulations should be admitted to practice in these courts.

(g) Interpreters should be attached to these courts.

(h) Certain foreign legal advisors should be appointed by the Chinese Government to the above mentioned Special Benches to help in matters of foreign jurisdiction (their function should be entirely advisory).

3. That the Chinese Government, by unilateral declaration, should adopt the following judicial guarantees:

(a) That no foreigner would be arrested without a proper judicial warrant, except in cases of 'flagrantis delicti'.

(b) That the writ of habeas corpus should be applied.

(c) That publicity of trials and hearings should be observed.

British Shipping Strike At an End

After having been idle for just over three months, the large British fleet of coast steamers operated by Butterfield & Swire, has again resumed its sailings, the strike which commenced June 30, having come to an end September 8, when a temporary agreement was come to between the striking officers and the company.

No official announcement has been made as to the terms on which the officers went back to work, but it is generally understood that the men have won on every point, as it was an almost foregone conclusion that they would if they held out. To summarize the situation as it existed, it may be stated that the company already in the early days of the strike paid the extra ten per cent that had been in dispute previous to the calling of the strike.

Butterfield's were in the awkward position that their principal British competitors, the line of steamers managed by Jardine, Matheson & Co., (who are members of the "gentleman's" agreement whereby the same rates are to be charged to the public) from the start agreed to their officers' demands, and the only result of the breaking of the agreement by Butterfield's was that their competitors, not only British, but Japanese, Russian and Chinese, were getting the business which the tying up of their, the largest, fleet threw into the public arena. Further, quite a few of the officers took the opportunity to retire from the China field permanently thus strengthening the hands of those who remained.

Silkmen Worried By Japanese Overproduction

BY PAUL K. WHANG

The report issued by the American Consulate General indicates that a heavy decline in the export of raw silk and wild silk was the principal feature of the table showing the declared exports to the U. S. for the first six months of 1927 (Jan. 1 to June 30), and that the total value of silk products exported from Shanghai to the U. S. during the six months of this year was only $11,088,771 as against $18,851,902 last year—a decline of more than seven and a half million dollars.

The causes of this heavy drop we need not go far to seek. Internally, political strife and labor unrest have wrought a great havoc upon the silk industry; the production of raw silk has been thereby curtailed and this in no small degree affects the volume of exportation. If this were the only cause and merely temporary in nature, we might see the revival of the silk trade before long, as soon as general conditions return to normalcy. But to all intents and purposes, the underlying cause lies in the external phenomena over which we have not the least control. To be plain, what I mean is the overproduction of Japan's raw silk for these several years.

In regard to the total volume of Japanese crops of this year, the reports are diverse and no exact figures are available. In 1926, the total production of Japan's raw silk was about 520,000 bales. This year, as I have been told by a local French silkman who knows quite well Japan's silk industry, Japan's cocoon production has been increased at least by 10 per cent, and the volume of silk production will not be less than 600,000 bales.

It is undeniably a fact that the United States is the best customer of Japan's raw silk trade and more than 90% of Japan's raw silk exportation goes to the United States. With the production of raw silk in Japan increased year after year, coupled with the increase in use of artifical silk in the American silk industry, Japanese silkmen have already felt the pinch of over-production, especially at a time when the American silk industry has not been in its healthy condition during the last few years. In order to hold-up Japan's raw silk industry, its government had to take up 30,000 bales of raw silk last year.

With the opening of the new season, the Yokohoma silk market has not shown any sign of promise, as the price has been declining week after week. On the other hand, the American customers are wise enough in not placing any orders in the expectation of a further drop in price, and the market has been reported as dull and inactive all the time. As a consequence, the Shanghai raw silk market has been greatly affected. It is an open secret that the Shanghai market is under the sway of the Yokohoma market, and that any change in price occurring over there will finally reflect upon the local market, the price of the best China silk always following that of best Japan; the difference between them is almost constant. For instance, in the New York silk market, the quotation for best China silk as a rule registers 20 to 30 cents (gold) per pound higher than that of best Japan, but the price of Japan silk is taken as a standard.

Since the new season, the Shanghai silk market has been absolutely dead, with the price declining week after week. With the exception of a small volume of best silk which has been sold to British and French customers, our American customers have not shown their usual enthusiasm in placing their orders. America is also our best customer, inasmuch as it takes about 60% of China's raw silk export annually. Therefore America's inactivity causes much worry among the silkmen, many of whom, on account of their limited financial resources, are unable to hold up the goods for a better price, and have to sell their silk at a loss. Within the last three months, the price of best China silk has dropped from 1400 to 1250 taels, and silk of class C from 1100 to 980 taels.

Our study of economics brings us to the conviction that the price of any commodity is determined by its supply and demand. From this rule, we can infer that any commodity over-supplied or over-produced will finally cause a decline in its price. This is the chief fault we find with Japan's raw silk industry. As stated before, last year the Japanese government took up 30,000 bales of raw silk in order to put Japanese silkmen well on foot. It goes without saying that Japan's production was at least 30,000 bales too much last year. With last year's experience still fresh in their momory, the Japanese silkmen for their own good should find ways and means for curtailing their capacity of production this year; but, instead, this year's cocoon production, as reported, has been increased by 10%. Therefore if America's capacity of consumption remain what it was last year, the Japanese government has to take up at least 100,000 bales of raw silk this year in order to hold up Japan's raw silk industry. As this article is written, I have leadern from the newspapers that the Japanese government

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Chiang Kai-Shek At Home

-BY M. & W.

IN Sih Dou temple, the beautiful Buddhistic shrine nestling in a crater-like recess atop the mountains of Chekiang, where he has been living in peaceful retirement since his resignation as Generalissimo of the Nationalist armies, Chiang Kai-shek received us. With the exception of the lone guard at the entrance, there was nothing to indicate the presence in this peaceful temple of the greatest military figure of recent-day China. Living quietly and resting after his strenuous campaigning of over a year, he has received only a few friends who have made the pilgrimage to his mountain retreat. Even his personal staff and his secretaries have been quartered seventeen li away in the village, at the foot of the mountains, which guards the only approach.

The Trip to the Temple

After three hours by motor boat from Ningpo, we arrived at Fenghwa, General Chiang's native village. Then thirty-five li by chair brought us to the stone pathway that winds up to the peak of the highest mountain, some three thousand feet above the valley at its foot. On reaching the top the path led down a winding course through the tall pines that line the edge of the crater of what must have been a volcano in past ages. Then suddenly we came upon the temple enthroned majestically in the center of a vast clearing. The path widened and led across a stone bridge, then followed a clear mountain brook to the temple door. It was a perfect spot for the General's purpose; restful and secluded, beautiful and well-guarded, with but one approach.

The General was writing letters when we arrived. He carried on a vast personal correspondence we were told. We were made comfortable and served luscious grapes by a servant while we waited a few moments until the General came out to receive us. He made us welcome with a broad, friendly smile. He was the picture of health, showing every evidence of the good effects of his restful sojourn in this mountain retreat. Attired in a long gray gown, he might well have been a monk in this setting, but his flashing eyes and stern, clear-cut features with his military bearing indicated the soldier that he is.

He suggested that we stroll out through the hills. The sun was setting, out through the pines that lined the crater rim. He would show us the waterfalls and we could talk as we walked. The idea was that of a lover of natural beauty.

China Seemed Far Away

Glancing back along the pathway as we left the temple we saw that we were followed by four or five body-guards, armed to the teeth. As if by suggestion we left the discussion of temple and scenic beauty and asked our soldier-host of his future plans. War-torn China seemed quite far away below us; the revolution, which bade fair to make real her dreams, a thing of the past, as its leader revealed his plans to spend the next five years abroad. He would study the political and economic life and observe the military methods of the other great nations of the world amongst which China might soon retake her rightful place. And when the five years had passed, what will have happened to China? He did not tell us what he thought but we knew that he must feel that by that time China would be ready for him and the knowledge he would bring back to her.

He was leaving soon for Shanghai, he said, where he would complete his plans. Whether he would go first to Europe or America on his way around the globe would be decided then. We felt that America would receive most of his attention for he dwelt at length on all that he had heard of the great industrial and economic development in that great land, and he expressed his desire to see these things for himself for he felt that the China of the future must be developed on the same lines.

Republican or Socialistic?

Would the future political development of China follow strict republican lines or was there likely to be a tinge of Socialism, we asked him. His eyes flashed and he turned them squarely on us as he said: "Most assuredly along republican lines." Even the very name of the Communist Party as well as its influence must be erased from China's record," he added bitterly. It was evident that he felt deeply the ruinous effect that the Russian creed had worked in the Nationalist movement. His phrases came out sharply, concise and clear. There was no misunderstanding him. His words were never vague and one could not help but feel that his mind worked clearly. Here, indeed, was a strong character, a leader of the type that China needs so badly, and one could not doubt his sincerity.

The papers back in Shanghai a few weeks before had published the announcement that Mrs. Chiang Kai-shek had sailed for America. Pictures of her departure with two travelling companions were also published. We asked the General if he would not join her in America. He startled us with the announcement that there was no Mrs. Chiang Kai-shek at present. He had been divorced in the tenth year of the Republic, he explained, and had severed all connection with the customs of old China by setting free his two concubines when he arrived in Hankow last year. All that belonged to the past, he said. China must abolish all such customs which give women unequal opportunity and position, if she expects to achieve her modern aims. He fully believes in Dr. Sun Yat-sen's doctrine of the social and political equality of women, adding that he believed that most of China's past political weakness was in a large sense due to the inequality of her men and women both socially and politically.

The way had led us to the brink of a precipice that looked out across at the waterfall that dropped its silvery stream a full thousand feet into a ravine below. It seemed like a miniature Yosemite as it glistened in the dull, golden rays of the setting sun. A full moon lit the dusk as we walked slowly back to the temple to dine.

May Go to America

In the evening we reclined in long chairs on the terrace in front of the temple and smoked and talked leisurely. We smoked, for the General does not; neither does he drink. We chatted lightly of many things until the talk turned again to America. The General asked many questions about her customs. It was evident that he was dreaming of his coming voyage. He told us of how the Chinese people had turned from the conservative friendship of America to accept the material aid which Russia offered, and then of how Russia betrayed her. Now the Chinese must look to America as her only real friend amongst the nations," he said. "I hope she (America) will continue to maintain the spirit of the Washington Conference." "She will," we assured him.

The temple drums were beating and the monks were praying as we climbed the stairs to the second floor where we were quartered for the night. We retired early so that we might arise in time to start the long journey back to Shanghai in the cool of the early morning. The General usually retired at mid-night and arose at five. He breakfasted with us in the morning and sent us on our way feeling that we had met a great man. There was something different about him—something different from the other military leaders who have come and gone in China's past. The world would hear much more of him, we concluded, as we trudged back down the mountain path.

Shanghai, Sept. 13, 1927

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has already advanced to the Japanese silkmen 52,000,000 yen at a much low rate of interest.

It is a timely advice to the Japanese silkmen that the era for curtailing their production has come. They know better than others that nearly all of their raw silk export goes to America, but they apparently have never given thought to the maximum capacity of American consumption. Since the introduction of rayon, or artificial silk, American manufacturers can in many cases use it as a substitute for real silk, when they feel that the price of real silk is not within their reach. Therefore, it will be foolish for the producers of raw silk to increase their production, or disregard the fact that the capacity of consumption has not been enlarged a bit. The Japanese silkmen would be in a much worse state, had not their government given them a hand of assistance. On account of the inter-relationship between Japan's and China's markets, the Chinese silkmen have been much worried over Japan's reckless way of production, which, if left unchecked, will upset the world's raw silk markets.

The Hangchow Bore

China contains one of the most remarkable phenomena in the world—the bore in Hangchow bay. Bores are characteristics more or less of all rivers that have funnel-shaped mouths, but the one in Hangchow bay is the largest so far as quantity of water is concerned. Just as there are higher Falls than those of Niagara there are higher bores (for example in the Bay of Fundy) than that at Hangchow, but none with anyways nearly so great a quantity of water.

A bore may be described as a suspended tide, that is, the tide instead of coming up gradually, spread out over approximately six hours, comes up with a rush and a roar in a few minutes. The bore at Hangchow is always highest during the first half of September, due to the fact that the prevailing winds pile up the water at that time, in addition to the naturally increased height which the combined attraction of the sun and moon produce.

This year the usual excursions over the Hangchow railway were run and large numbers went to Haining, where the best view of the bore can be obtained.

Christian General At The Crossroads

BY CHARLES DAILEY

KALEIDOSCOPIC changes have occurred in the political situation; as it stands to-day Chang Tso-Lin is the Strong Man of China, and with the good wishes at least of Japan and the moral encouragement of all the other treaty powers. Chang is an old offender and has many sins to answer for, but of late years has undergone a great change; he was even willing to reach a compromise with Chiang Kai-Shek and did make overtures in that direction when Chiang first felt his own troubles coming on. Chang has no quarrel with Sun Yat-Senism except the radicalism that came from that intimate contact in Moscow; he is far less the autocrat of the old days, has learned his lesson through bitter defeats and bitterer experiences; to-day he wishes to pin on the blueribbon of temperance in politics and to try to go straight. The Man With a Past seeks to live it down.

The Inevitable Revolution

One by one the present leaders or enemies of revolution are falling by the wayside; a few corrupt corps commanders or provincial governors remain, but the handwriting is on the wall and the cleverest of them are reading it. The people and not the mob are beginning to take hold of China's revolution. It will be many years before this revolution can be accomplished; the seed has been sown and is taking root. Militarism, radicalism and domination by coolieism all are doomed. The small land-owner, the native banker, the small shopkeeper, the merchant and the manufacturer, all are moving to assume mastery of the revolution. The wise military leaders are taking note of the drift. Only the Christian General Feng Yu-Hsiang holds out—as stubborn as he always was.

It is not exactly clear in what manner Feng Yu-Hsiang displeased the Wuhan and Nanking factions of the Kuomintang, but more likely it was due to their distrust of him. He has been repeatedly guilty of betraying or "double-crossing" his superiors or his equals. Perhaps the most striking instance is his desertion of the Chihli armies under Wu Pei-Fu in 1924. At the moment when Wu Pei-Fu was engaged in a death struggle with Chang Tso-Lin at the Great Wall in the Shanhaikwan area Feng Yu-Hsiang, who commanded the left wing in the Jehol area, refused to fight, thus releasing further armies for the thrust through the first pass west of Shanhaikwan.

Feng's Coup Against Wu

Stealthily Feng fell back into Peking, entered secretly by night with the collusion of the commander of the local garrison and brought about his memorable *coup d'etat* in October. This brought about the instant debacle at Chinwangtao and delivered to Wu Pei-Fu a blow in the back from which he never was able to recover. Since then no military leader or politician has been willing to trust Feng Yu-Hsiang. He set up his rump government in Peking with a three-man Cabinet, with dummies in the other posts and formed his armies into the Kuominchun.

Then in 1925 he tried to conquer all Chihli, but Chang Tso-Lin, having reformed his own battered armies, fell upon him and after months of fighting drove him through Nankow pass and out onto the half-desert plateaux of the North-west. Next Feng went to Moscow and in return for Communist ammunition and agents returned to China completely Moscovized. He came down through Kansu and Shensi in 1926 and this year, after the defeat by the Red Spears successively of Wu Pei-fu, Tang Shen-chi and Chang Tso-lin, entered Honan where he remains to-day a menace to all factions and a drain upon the people.

Meantime two of the three leaders of the old Rump government in Peking, Wang Cheng-Ting and General Hwang Fu, fled to the sanctuary of the foreign concession and settlement in Shanghai and cast their lot with the so-called moderate faction under Chiang Kai-shek. And when in early August of this year (1927), following the split between the Communist-dominated faction at Wuhan and the "moderates" of the Kuomintang at Nanking, Dr. Wang went to Hsuchow, then held by Chiang Kai-shek, to seek an agreement with Feng for a combined attack upon Hankow Feng seems to have agreed upon the stipulation that he receive $3,000,000 cash and 5,000,000 rounds of ammunition.

But Feng ran true to form, and having presumably got the money and the munitions, turned a deaf ear upon his former Premier and Foreign Minister, refused to march upon Hankow and prepared to attack Chang Tso-lin in Peking with the implied assistance of Ye Hsi-shan, the "model governor" and fence-rider of Shansi. There was nothing left for the Hankow faction to do but to get rid, however unwillingly, of the Communists in their camp, and for the Nanking government to induce the retirement of Chiang-Kai-shek, who had made his own enemies in Hankow, and to try to reconstruct the armies and government of the Kuomintang to meet the thrust that Sun Chuan-fang was making for the recovery of Nanking, all Kiangsu and that meaty cocoanut, Shanghai. Thus came about the memorable conference in Kuling in late August.

Feng's Uncertain Position

Now Feng meantime realized the peril of his own situation. Winter would soon be on him. For several successive years Honan has been a vast battleground. All the carts and mules and most of the able-bodied men had been carried off by the several armies. This year there have been virtually no crops, for even the seed grain was confiscated by the military, and even if it had not been there were no men or mules to till the soil. So starvation faces Honan this winter. Feng Yu-hsiang will be utterly unable to maintain his armies there and must find greener pastures. He cannot retreat into Shensi, for it is also denuded and the long siege of Sianfu has left that mountain province barren of everything.

First Feng turned his eyes to Peking, where there was money to buy grain and also rail connection with the Northwest, where it may be obtained. To keep this route open he must of necessity make a deal with Yen Hsi-shan, who dominated not only the Kin-Sui railway at Tatungfu but also the Peking-Hankow railway at Chihchiachwang, in Chihli province, in the latter case a buffer between Honan and Peking and in the former an obstacle on the line of Feng's prospective food supply. Governor Yen got further on the fence and sent his delegates to Peking. He did not go too far, for having committed himself to a form of Kuomintangism he had won the enmity of Chang Tso-Lin, who had denounced his Bolshevistic tendencies. Thus Yen continues, as ever, to possess himself of certain trading possibilities and can jockey his position between Feng and the Generalissimo to his best advantage, provided his own foot does not slip, and plunge him on either side of the fence. Of this more perhaps at a later time.

Feng saw the possibility of Yen Hsi-shan not falling in with him and seeing starvation in sight for his armies this Winter, forgot the obligation imposed by the advances of money and munitions by Dr. Wang as the agent of Nanking and made overtures to the Wuhan faction. He had Michael Borodin, the head of the Communist group and long the master of Eugene Chen and others of the government, come up to Chengchow and talk things over. What came of that conference is not clear. Borodin has since started back to Moscow and is now making his weary way across Shensi and Kansu and on to Urga and the Siberian frontier.

Hard Winter Ahead in Hankow

Now everyone knows that the Wuhan with its tributary region is itself faced with serious if not difficult food and labor problems iin the winter that soon will approach. In the wild orgy of Communism and promised land distribution which Borodin's agents brought about in Hunan, the fields of that province are unplanted and there will be no food coming down the Siang river this winter. And in Wuhan, the equally Communistic orgies of the labor elements have ruined both commerce and industry, so labor in that section also faces a foodless winter. Besides, the reckless financial policy, the flooding of Central Bank of Canton notes, the embargo on silver and the numerous and excessive taxes have served to add to the burden that must be met.

Feng may or may not have thought of that. To pave the way for a truce that would give him entry into Hankow Feng turned over to the Wuhan government control of the Peking-Hankow railway from Chengchow to Hankow. The Nanking faction and the less radical of the Wuhan government saw all this, and while willing on the one hand for Feng to bear the burden of the crash that must come this winter, feared that the Nanking faction might turn traitor. Hence the Kuling conference.

This Kuling conference was short-lived because of the swift onrush to the Yangtze of the arimes of Sun Chuan-fang; the only agreement reached there was to abandon theoretically at least the radical-wrecked government of the Wuhan, to unite with the survivors of the Nanking government whose fighters had not been burned beyond healing by the frenzy of taxation on the lower Yangtze and to try to stem the tide coming down from Shantung. That easily may be done, for Chang Tso-lin was wise enough to send no aid, and all the support Sun Chuan-fang thus far received was sufficient troops from Chang Tsung-chang to protect his communications from raids by Feng Yu-hsiang.

Dividing the Political Pie

Although the lower Yangtze is an immediate objective it must be remembered that Chang Tso-lin has no particular love for Sun Chuan-fang, but gladly would come to an agreement with him and create a sphere of influence in the Shanghai area —the one thought uppermost in the minds of the Northern leaders is the destruction of the Christian General. Chang Tsung-chang has been offered the overlordship of Honan as

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well as Shantuug if he will attack Feng Yu-hsiang from the East. Yen Hsi-shan has been offered the supertuchunship of Shensi and Kansu as well as Shansi if he will but withdraw his troops from Shihchiachwang to give the troops of Chang Tso-lin free passage to the Yellow river and use his Shansi forces on the western frontier of Honan to prevent Feng's flight into Shensi. Tang Shen-chi and his followers may be depended upon to oppose Feng's attempt to reach Hankow. Feng Yu-hsiang is at the crossroads. And being there he cannot move in any direction without risking disaster.

Feng's strength is largely overestimated. If it is as large as recently computed, then he certainly must starve in Honan this winter. Even if he can get money—and no one longer will finance him—there is no food to be bought on the Yangtze and certainly Chang Tso-lin will not supply him. His very necessity prompts him to contemplate an attack upon Peking, and hence the overtures to Yen Hsi-shan for assistance.

Gen. Yen Holds the Key

Yen Hsi-shan, fence-rider that he is, holds the key to the situation and can dictate his terms. Without Yen's active or passive assistance Feng Yu-hsiang is doomed. Bit by bit, as the cold weather and the pinch of starvation come on, the armies of the Christian General must disintegrate unless he can get out of Honan. The only hope is westward; Shensi cannot support him; his only chance is Kansu, and he had a bitter winter there last year. Gov. Yen has cleared his troops from Chihchiachwang, but refuse to go to war himself with Marshal Feng.

According to best available reports—and even these may be exaggerated—Feng Yu-hsiang has in Honan 197,000 men and 168,000 rifles. In addition, guarding his line of retreat, there are reported to be some 92,000 men. These are in Shensi, Kansu and on the line of his supply communications to Soviet Russia.

Although co-operating with the Red Spears—the only militarist who has been unable to do so—these home-defenders and arch enemies of militarism are certain to turn against him when the tide of hunger sets in. Only a little while and attention of the public mind will be turned from the Yangtze and towards Honan. Feudalism, Bolshevism and Nationalism (the latter in the sense of a slogan) are doomed. But there is a nationalism coming to the fore in China. It exists, everywhere but chiefly in the more slow-moving and conservative North, though not typified by Chang Tso-lin. In the end China will be nationalized; but the end is still far off. Militarism must go first.

Peking, September 3, 1927.

Nationalists Announce Personnel of Government Committees

According to a report of the *Kuo Min* (official) news agency on Monday, Sept. 12, the personnel and prospective personel of the various Government committees are as follows:

The Central Executive Committee:

Hu Han-min, Gen. Li Lieh-chun, Gen. Tan Yen-kai Wang Ching-wei, Gen. Chen Chien, Gen. Chu Pei-teh, Dr. Wu, Chao-chu, Liu Shou-chur, Sun Fo, Gen Li Chi-sen, Mrs. Liao Chung-kai, Tai Chuan-hsien, Gen. Chiang Kai-shek, Gen. Bei Wen-wei, Hsiao Fu-chen, Ting Wei-feng, Yu Ju-ren, Koo Meng-yu, Hsu Chien, Wang Fa-chen, Madame Sun Yat-sen, T. V. Soong, Chen Kong-pao, Eugene Chen, Kam Nai-kwong, Chu-shuen (deceased), Li Tai-chao (deceased), Chin Heng-yi, Lin Chu-han, Peng Tsi-ming Yun Tai-yin (excommunicated) Yu Shu-teh, Tan Pin-shan (excommunicated), Yang Pao-an, Wu Yu-chang (excommunicated), and a representative from Mongolia.

Candidates for membership on the Central Executive Committee:

Chu Min-yi, Liao Bin, Chow Chi-kong, Gen. Ho Yin-ching, Gen. Wu Ti-chen, Bei Yun-te, Hwang Shih, Chu Chi-chin, An Yi, Mao Chi-tung, Yen Tai-bei, Chen Shu-jen, Wang Lo-pin, Chen Chi-yuan, Chueh Wu, Chen Chae-yin, Ting Chao-wu, Chen Chia-yu, Teng Yin-chao, Tong Yun-wei, Teng Yen-ta, Hsu Shu-huan, Lo Yu-yue and Han Lin-fu.

Members of the Central Supervisory Committee:

Koo Ying-fan, Chang Ching-kiang, Fong Chi-lu, Wu Tze-hui, Li Shih-tseng, Tsai Yuan-pei, Chen Ku-fu, zua Li-tai, Liu Ya-tsi, Chen Bei-chur, Kao Yu-han, Dr. Wang Chung-hui, (Mr. Kao and Dr. Wang were dismissed from the Committee, and Generals Li Chung-jen and Hwang Hsiao-hsiung have been appointed in their places.)

Candidates for membership on the Supervisory Committee:

Kuo Chun-tao, Gen. Li Foo-ling, Fan Yun-chao, Hsia Chin, Gen. Hwang Hsiao-hsiung, Gen. Li Chung-jen, (Generals Li and Hwang have already been appointed as committee members) Kang Hau and Teng Mo-hsiu, (Messrs. Kiang and Teng were dismissed and Generals Hwang and Li are mentioned in their places.)

Second Pacific Relations Conference

BY WILLIAM HUNG

PUNAHOU, whatever its original Hawaiian meaning may be, will always spell harmony to me. Here columns of white palms stand like marble pillars with their fan-like leaves dancing way up in the air, weaving shadows of changing designs upon a carpet of a lawn below. Numerous flowering trees and shrubs, with names hard to pronounce and harder to remember, vie with one another along the winding driveways. Hidden behind the white barks, green leaves and many-colored flowers are a few of the buildings of the Punahou School, green, yellow or gray, some of wood, some of concrete, but all simple, dignified and well adapted to the gardenlike atmosphere. One looks out upon the glassy sea with foaming waves, and back to the folding hills with mysterious clouds. Here wind carries no dust and rain filters through sunshine. Here nature and art conspire together to create an atmosphere of concord. It was in this atmosphere that the Institute of Pacific Relations met for the second time.

The relations among America, Britain, China and Japan at this moment can hardly be said to be set in an entirely pacific mood, when troops are being rushed to China in answer to a nationwide revolution against militarism and imperialism, and when daily dispatches from Geneva bring the disappointing news of a threatened breakdown of the three Power Naval Conference. It is almost too much to expect of human nature that the various national groups should have come to the Institute with their baggages packed full of only good humor and no bombs. Bombs, indeed, there were; some of them were well dropped. Somehow they did not explode, and nobody was hurt. Judged by the cheerful spirit in the dining room, in the parlor at tea or in the smoking circles on the veranda, the Institute gave but little evidence that its meetings were centering largely on such an unhappy subject as the present status of international politics.

Atmosphere of Hospitality

That the general atmosphere of hospitality and harmony in Honolulu and Punahou is very conducive to peaceful deliberations must be accepted as part of the explanation of the congenial spirit of the Institute. A good deal more, however, is due to the policy of the Institute itself. Unlike other conferences, here is a unique one with no propaganda and no resolutions. If there were politicians among the members of the Institute, there was no occasion for lobbying, playing to the gallery or threatening to quit.

The Conference was opened on Friday, July 15th, with a luncheon given in the Royal Hawaiian Hotel by the local members of the Institute. There as a speech of welcome by the Governor of Hawaii and several short addresses by the leaders of the various national groups. Perhaps no other speech was more often quoted throughout the whole Conference than that of Dr. David Z.T.Yui, the leader of the group from China, which might be said to have set the keynote for the Institute. He told of the story of a wise Chinese magistrate who forced two brothers in litigation to face each other repeatedly and to address each other as brothers with the result that the lawsuit was finally dropped and brotherly relations completely restored. It was indeed in this spirit of facing one another as brothers that the Americans, Britishers, Chinese, Japanese, Koreans and Filipinos have come together to discuss their problems and differences.

One of the unexpected things at the Conference was the sudden change of program. The program as at first planned several months ago called for four general groups of discussions: (1) Culture, (2) Race and Population, (3) Labor and Economic Resources, and (4) Law and Diplomatic Relations. The group of members from China were chosen largely with a view to secure adequate representation on these four divisions, with topics for individual papers assigned ahead of time through the office of Mr. L. T. Chen, the Executive Secretary of the China Committee of the Institute. Just two or three days before the opening of the Conference it became evident that most of the members were most interested in the problem of China's relation with the foreign Powers. Accordingly the program was changed almost overnight. The sudden change of program must prove to be a little bit disturbing to those Chinese members who had spent a good deal of time on papers and addresses now relegated to secondary importance, and who, though they were well informed on their own subjects, were not as well prepared to render expert opinion on some of the technical aspects of China's diplomatic relations. On the other hand, this change must be considered as an opportunity,—and a welcome opportunity,—to every Chinese who had at heart the welfare of the country in her

present political and diplomatic struggles. When one realizes what a large portion of the foreign information about China comes from sources, more or less biased by the interests threatened in the present revolution, this conference of the leaders of public opinion from the three most interested countries, America, Great Britain and Japan, affords the Chinese members indeed a paramont opportunity to interpret the real attitude of the Chinese people towards the foreign countries.

The Program Committee of the Conference decided to center the first three days' discussion on three phases of China's foreign problem, (1) Tariff, (2) Extra-territoriality and (3) Concessions and Settlements. Three pamphlets, one on each of these topics prepared by Dr. Mingchien Joshua Bau, together with a booklet by Sir Frederick Whyte, entitled "China and the Foreign Powers" and another by Dr. Stanley Hornbeck on "China, Today, Political" contributed a good deal to the intelligent discussion on these subjects in the four parallel round-tables and the evening forums which gathered together the characteristic opinions of the round-tables for further discussion.

Dr. David Z. T. Yui's Leadership

The Chinese group of fourteen members was a smaller group than the other principal groups. In the Chinese group were represented both men and women, North and South, Christian and non-Christian, the academic as well as the business point of view. On the whole the group followed the lead of the leader, Dr. David Z. T. Yui, whose statement on "China and the Pacific Relations During 1925-27" made at the first general session of the Conference furnished a fine model of dispassionate account of facts without indulgence in either rhetoric or emotion. The Chinese had come to the Conference to learn what they could of the attitude of the world towards the Chinese people and their aspirations, and in return, they were willing to interpret faithfully the viewpoint of the Chinese people on China's foreign problems. The questions of tariff, extra-territoriality, concessions and settlements are but some of the important operations of what the Chinese people now call "unequal treaties". These have done so much injustice to the country that young China have come to hate them as much as they do the system of military usurpation of government. To get rid of the military system young China sees no other method save revolution, however costly it might be. To rid China of the "unequal treaties" there are two ways: by bilateral negotiation if practical, and by unilateral denouncement if necessary.

One of the most pleasant surprises to me at the Conference was the general attitude of the British members towards China. The British group was made up of members of all shades of political opinion in Great Britain, Conservative, Liberal and Labor. Yet both in their statements made at the meetings of the Institute and in private conversation, there seemed to be no important divergence of interpretation of the present British policy as regards China. Of this Sir Frederick Whyte, the leader of the British group, made an admirable presentation at the first general session. On the whole the statement differed but little from the recent pronouncements of the British Foreign Office. There was, however, this difference. Delivered by an earnest personality with masterful eloquence and in an atmosphere quite remote from the sight of British troops and the voice of certain British press in China, Whyte's speech impressed one with a forceful sincerety which the official or semi-official statements of the British government lacked, when they were published in China under wholely different circumstances. I might confess that as he was speaking my heart was beating with admiration. It was unfortunate that the local press should carry a headline that Whyte and Yui had clashed. To put it humorously, the headline contains a misprint. Whyte and Yui were seated next to each other, after their speeches they *clasped*. In private conversation I have found the British members most interesting. Lord Castlereagh is reserved but witty; and in his eagerness to learn, he is quite different, I understand, from the traditional type of English nobility. Mr. Lionel Curtis, with rich experiences in Africa, is always frank, open and earnestly seeking a practical solution. Mr. Malcolm MacDonald, son of the first Labor Premier, is democratic and enterprising. Although still very young, he shows a remarkable knowledge of British politics and foreign affairs. If the father and the son are alike the world may well be proud of the leadership of the British Labor Party. Taking the British group as a whole, the most revealing thing to me is that they are so different from so many of the Britishers one usually meets in Shanghai or Tientsin. If the interpretation of the British policy by the group at the Conference is correct, it must be concluded that certain opinions in the British press in China are indeed un-British. Great Britain will not entertain a policy of intervention in China. More than this, she is quite willing to unbind China from some of the treaty strangulations. This she is quite ready to do either by negotiation with a united government in China or with the several *de facto* governments separately. In doing this, she is quite willing to go ahead with or without the concurrence of the rest of the Powers. I heard of no advocacy for more British troops, no cynical criticism of the Chinese character, no suggestion of giving help to or against any warring faction for the prolongment of the civil war. If this type of sympathetic policy becomes concrete in realization we indeed need have no fear of the Chinese people being driven to desperate communistic tactics in order to save China from foreign aggression.

The Britishers were outspoken on their China Policy. The Japanese were silent. Just as the Britishers were clear, the Japanese were ambiguous. In part this was due to the fact that the members of the Japanese group at the Conference were largely interested in other subjects to be mentioned later. In part, again, it may be explained by the fact that although Japan has many experts on China, the present Japanese members at the Conference are mostly experts in other lines. To one of the Chinese members at least this Japanese silence seemed to be distressing. Towards the close of the meetings on China, Mr. Yusuke Tsurumi did make a comprehensive statement. Mr. Tsurumi impresses one with his fine command of English oratory, his keen sense of honor and his liberal frame of mind. Although his speech disclosed an interesting diversity of Japanese opinions and policies on China, after the speech was over, one was still very much in the dark as to what Japan as a whole would or would not do with the Chinese situation. The growth of liberalism in Japan, as Mr. Tusrumi portrayed it, must be regarded indeed as a very salutary thing in the Pacific; the citations he made of the liberal editorials opposing the Tanaka Government's sending troops to Shantung must warm the Chinese heart with gratitude. On the other hand, the government in Japan is still in the process of democratization. At present it is at least a question whether Japan's foreign policy is more dictated by the military group or influenced by the liberal sentiments. The whole of China is protesting against the presence of Japanese troops in Shantung, and then we hear of a newly announced "positive" policy in Manchuria. Let us hope that the dark clouds are only passing.

"Legalistically Minded" Americans

The Americans at the Conference proved as usual most friendly and sympathetic towards the Chinese and their problems. Of course, they are a few who are legalistically minded. They mean and wish well for China, but they see very many technical objections in the way of rendering a helpful hand to unbind China from the "unequal treaties." The absence of an all powerful central government in China as a negotiatory party, the technical virtues of the "most favored nation" clause, the necessary concurrence of all the treaty powers, the cautiousness of the State Department, the conservatism of the Senate, etc., are only a few of the items which tend to lead the discussion into a vicious circle without a convenient outlet. Fortunately, however, the Americans as a whole are not legalistically minded. There is a characteristic liberality of spirit which is very winning. In their efforts to be sincere and frank, the Chinese have received the best encouragements from the Americans. The Americans have looked upon the fine attitude of the British members with open satisfaction, and so far as I can judge, they are quite prepared to go a good deal further than even the Britishers in allowing China to solve her own problems without foreign stumbling-blocks. American members at the Conference, like Mr. E. C. Carter, Professor William Kilpatrick, Dr. Paul Monroe, Dr. Stephen P. Duggan, President Mary E. Woolley, President Ray Lyman Wibur, Mr. Chester Rowell, Dr. Edward H. Hume and Profesor James T. Shotwell, to mention at random only a few of the names, are indeed an inspiration to those Chinese who are struggling to win for China a friendly place in the family of nations. To my own mind, the cautiousness of the State Department and the conservatism of the Senate are as much unreal entities as the technical legalities to which these bodies are said to be susceptible. No other government is more responsive to public opinion than the American government. So long as the leadership of the American public opinion is with China, China need not fear anything from the American government.

When the strenuous discussions on China were over, the zenith of interest in the Conference had passed. I shall mention only a few of the other subjects discussed. The Japanese members are chiefly interested in the food and population problem in Japan. This subject was ably presented by Professor Shiroshi Nasu of Tokyo Imperial University. The question is an acute one. In Japan, the population is increasing, while food is limited. What shall be done? On the one hand, one's mind leaps at once to the question of immigration into the lands now controlled by the white nations on the Pacific. On the other hand, one thinks of the problem of Japan's expansion on the mainland of Asia. The question of immigration took up several of the round-table meetings. So far as those hitherto exclusive countries were concerned there did not seem to be a readiness to throw the doors wide open to welcome Japanese or other Asiatic immigrants. The subject of missions was a center of considerable interest at two round-

tables and a forum meeting. The contributions of missionaries to international understanding were well brought out. Most of the members speaking seemed to advocate the missionary's disassociation from the political interests of his own country and his closer cooperation with the aspirations of the country in which he did his missionary work. I was particularly impressed with the pamphlets prepared by Dr. Henry T. Hodgkin and Dr. Edward H. Hume; both seemed to show a clear grasp of the problem and future of the Christian work in China. Professor Daniel J. Fleming of Union Theological Seminary, New York, made a fine contribution in outlining a code of ethics for the contact between religions,—a code of ethics based on the spirit of reciprocity. On the whole the general tone of the discussions on missions was that of liberal modernists; indeed, so much so, that the chairman at the forum expressed humorously his wish of having some hard and fast Fundamentalists present so as to make the discussion more exciting.

The practically-minded person will naturally ask, "What is the result of the Conferenee?" He must not be surprised with a negative answer, which is the only answer, officially. No treaty was signed, no contract entered into, and no agreement, arrived at. The Institute had only brought together leaders of different opinions from the different countries, exposed them to one another in a fearlessly free exchange of views and then let them go home. Herein lies one of those values that really counts, although it cannot be expressed in Arabic figures. The Conference of the Institute of Pacific Relations is a congress of liberalism. The Pacific might not remain as peaceful as its name implies. Can we secure peace by some special military formula, or by some special economic doctrine? What have the liberals to offer? The power of liberalism lies in its ability to generate friendship. This the Conference had done on an international scale. I shall always like to remember the result of the Conference in the scene of our departure. Practically all of the Oriental members left the day after the closing of the Conference, In Hawaii there is a beautiful custom of putting flower wreaths, called "leis," over the neck of a friend as a symbol of friendship. While there were only about two dozen members leaving, the steamer deck was so crowded as if the whole Conference had come down to see us off. It was most touching to receive the leis not only from friends resident in Honolulu, but also from those who have come to Honolulu only for the Conference and who had also adopted this beautiful custom of expressing friendship. In half an hour's time I had more than thirty about my neck and they came up to the ears. As the steamer pulled away from the wharf I looked about and found all the departing members loaded with leis, looking towards the shore and lost in thought. I knew what was uppermost in their mind —the same as was in my own, friendship.

Missionaries' Plain Words to China

(From the Literary Digest)

China's chief friends have been the missionaries, and in times of stress and misunderstanding with the Western nations it was to the missionaries, notes the Nashville *Christian Advocate* (Methodist), that China turned for advice and assistance. When the Nationalist movement began, it captured the imagination and sympathy of the missionaries because of the high deals professed by the leaders of the movement, and the missionaries protested to their Governments against any policy of intervention, and declared themselves not to be in danger and willing to carry on their work. When, however, the Nationalists failed to protect their Christian friends, some of the missionaries underwent a change of heart and a group of them have felt justified in addressing the Nationalists in plain terms. In this communication they say, as it is quoted in the Nashville *Christian Advocate*:

"With special reference to requests that we use our good offices to present China's case in the best possible light before our home nations, it is necessary to recognize that we who have been termed 'idealists' in our attitude toward China today stand discredited before the world as a result of the course of recent events. We are known to have protested against the gunboat policy and other forcible measures. As recently as the first of February this year one hundred and twenty-seven missionaries in Nanking, at considerable labor and expense, prepared and sent a cablegram to the American Government and public protesting against the use of force in dealing with China, and urging a policy of conciliation and the prompt negotiation of new treaties on a basis of equality. In but little more than a month after that we had to depend on the use of foreign force to save our lives. We have favored the return of concessions to China, but to-day a foreign settlement is our only place of refuge. We have assured our people abroad that the Nationalist movement was not anti-Christian nor antiforeign, but now we are driven from homes and dispossessed of our property. We who remained in Nanking on March 24 were not personally depending on extraterritorial privileges, nor any other form of foreign protection. but were putting our trust in the assurances of the Nationalisls. The events show that our faith was not justified. In all these matters the facts of the situation flatly contradict our words. Everything we have said in behalf of the national movement is made to appear false. For us to say more in the present situation would be futile."

"Assuredly," says *The Christian Advocate*, "some influence must be back of the words of the missionaries, else they would not speak so plainly. The Nationalists doubtless desire to keep on the good side of the Christian forces in China, and in this fact there is promise of permanent results from missions."

Tariff Autonomy Must Come

BY C. Y. W. MENG

BEING characterized by submission, acquiescence, defeat and humiliation, it is something more than a landmark in her diplomatic history that China, being traditionally looked upon as a never-cured sick man of the Far East, should under Nationalist Control, have uttered so strange a voice as the Declaration of Tariff Autonomy on September 1, 1927. The Year 1842, under the corupt Manchu government, through the ignorance of the Chinese diplomats, marked the bginning of the restrictive tariff, and was thus followed by a series of losses of China's sovereign rights. But under the Nationalist government and through the dexterity of Dr. C. C. Wu, the year 1927 opens a new era in China's diplomatic history; and probably from 1927 onward, China is to regain all her lost rights, of which, the declaration of tariff autonomy is the first one, not through the old process of calling an international Conference for discussing the pending questions, which only assures the Chinese of another failure, but rather acting on the doctrine that the out-of-date treaties have now become unworthy of being observed and are to be considered merely as "scraps of paper" to be torn up at any time, as the act of a sovereign state.

Reasons for the Declaration

The Nationalist governments decision to put into effect the National Tariff Law on and after September 1 is not without justification. In the first place are to be noted the following instances of shortsightedness on the part of foreign powers (1) not to comply with the legitimate aspirations of the Chinese; (2) not to be sincere and frank in dealing with the Chinese; and (3) not to adapt themselves to the changing conditions of the Chinese which have prompted them to the drastic step of "doing it by ourselves." Experience has convinced the Chinese that it is futile for them to call an international Conference for the purpose of reviving the tariff. Owing to the conflict of interests, the prevailing selfishness, and the impossibility of obtaining the unanimous consent of the participating powers required for making any change, it has now become a plain fact that it is a matter of impossibility for the Conference to accomplish anything for the Chinese. Since 1858, six Conferences have been called for the samc purpose—that is, for the revision of the tariff—but as a result, it gave China nothing more than the 5% effective to which China was ligitimately entitled from the beginning.

In the year 1858, when the price of goods was low, the foreign merchants demanded a revision on the ground that owing to the low prices of goods, they were really paying more than 5% *ad valorem*. But when the price was high, and the Chinese were really receiving much less than 5%, we never heard any foreign government proposing any change. On the contrary, when the international Conference for this purpose was called, various protests from the foreign nationals in China were lodged which only tended to muddle the Conference. It has frequently been the case that some foreign government, for some reasons which are entirely remote, or having nothing to do with the tariff question, but merely as a retaliatory measure, has withheld the ratification, thus either delaying the enforcement of the decision of the Conference, or making the enforcement impossible. That China did not begin to collect the surtax sanctioned by the Washington Conference until four year later was due to the refusal of the French Government to ratify the Washington Agreement, which she withheld as a relatiatory measure against the Chinese on what is known as the "gold-franc controversy." Here is a concrete example to show how one power can hold up any change in China's tariff for reasons entirely outside of the scope of tariff revision. Under such circumstances, if China is desirous of ever regaining her tariff autonomy, what can she do except by "self-declaration!"

Secondly, that China did not press hard for a revision and did not insist for the restoration of tariff autonomy was purely

due to the fact that China was not in need of money formerly; and partly due to the fact the Chinese were unaware that the power of fixing tariffs is the inherent sovereign right of every independent nation and that there is no fully soverreign state in the world that has ever been deprived of her fiscal power. But now, the situation is different. China, on one hand, is overburdened with debts, as a result of her defects with some of the foreign powers. It is a great pity that the revenues derived from two important sources—the Maritime Customs and Salt Gabelle have not all gone to the Chinese exchequer but largely have gone to the foreign banks in payment of obligations. On the other hand, China, at present, is badly in need of enormous sums for the expensive Northern punitive expedition. Let it be understood that to raise funds for the purpose of the northern punitive expedition conducted by the Nationalists is not and should not be confused with the ordinary financial support afforded to some militarists, which only tends to prolong internecine warfare in China. On the contrary, the more funds the Nationalists have the quicker will the northern expedition be crowned with success and the earlier will be the unification of China—the only goal that the whole world is most eager to reach.

It is estimated that the military and governmental expenses of the central government exceeds $14,000,000 a month, and in view of the recent military development, the sum may exceed $20,000,000. Under such bad financial conditions, the Nationalists can not but enforce the National tariff law in the hope of securing a big income. The time is past that foreign goods may be exempted from internal taxes by paying a 2½% transit duty, while the Chinese merchants are heavily taxed—a reason that explains why the Chinese industries can not be developed. It is time that all restrictions be done away with. Now is the time for foreigners to choose whether they will come and submit themselves to the Chinese law, or to go away with their cargoes. There is other alternative. Lastly, let us remind the foreign merchants that the object of the enforcement of the National tariff law is the development of China internally, and, and to provide for the self-preservation of the Chinese people by improving her and their financial status.

Different Aspects of Declaration

The Declaration, being the first of its kind in China's long history of defeat and humiliation has undoubtedly surprised most, if not, all people. For the past 80 years, it has been the Westerners, the "guests", who dictated to the Chinese the terms that should exist between the West and East in this part of the world, and the Chinese, the "owner" could only say "Yes, Yes. . . . ." But this Declaration puts an end to this practice. China begins to adopt a definite foreign policy and to take some drastic steps in readjusting her relations with the westerners.

The Declaration is, however, viewed from different aspects. It has gratified some people; it has worried others. To some it is a matter for congratulation and to others it is something to be "put down."

Humanitarians will join the Chinese in celebrating the restoration of tariff antonomy because they are of the opinion that by restoring tariff autonomy to China, it means an indirect financial aid or a "constructive loan" to the Chinese to improve their financial condition and to develop their industries, which in turn means an increase in the purchasing power of the Chinese, which would enable the foreign merchants to import more goods into China, and would enable them to gain more profit than that they are gaining under the limited tariff system.

To "diehards" the enforcement of the National Tariff law is a dangerous precedent because they see that what could be done to the conventional tariff might be done to extraterritoriality, to the concessions and also to other rights and prvileges that the foreign nationals have so long enjoyed. They fear that one morning when they wake up they will find that all rights and priviliges have been withdrawn from them, and that they are, "as if," at once facing danger, insult, and molestation at the hands of the Chinese. The enforcement of the National Tariff law as seen by them, is only proposed as a means to destroy foreign trade. They thought so, think so, and will continue to think so, disregarding wholly the fact that the situation of today is quite different from that of previous years and that China is in bad financial condition, and that she has now realized that the salvation of this Young Republic lies in solving her economic problem, and forgetting entirely that when their home governments are in need of money, they have done exactly the same thing, that is, taxing foreign trade, and it is frequently the case that foreign trade with that state is sometimes ruined just because of the high-handed tariff policy of that state.

To "die-hards" the surtax is illegal. So with all other kinds of taxes that the Nationalists may levy. It is illegal because it is not sanctioned by the out-of-date treaties. But in fact, they protested not so much on ground of legality but rather just because the fact that any increase in rate, or any kind of taxation would affect the foreign traders "adversely."

Let us take the increase of the Shanghai Municipal tax of 2% as a comparison. According to a provision in the agreement signed between the Chinese authorities and the Consular Body of Shanghai it is provided that no tax nor any increase in rate can be permitted without the consent of the Chinese within the Settlement (see Land Regulations), then the increase in the rate by 2% was illegal, for was it not a "violation of treaty?" This example will stop the mouths of all "die-hards" or the people who talk so much of questions of legality. That they are silent when the S.M.C. begins to levy a 2% tax, which is purely an *ultra vires* act, as it has no authority to do so; but are eager "to fight against the illegal taxations", as they call them, enforced by the Nationalist China, which is purely an *intra vires* act, as China is a sovereign state, is difficult to understand. To my mind the word "illegal" has just been reversely used—that is, it is illegal for the S.M.C. to increase the rate without the consent of the Chinese, but it is perfectly legal for the Nationalists to enforce any kind of new taxes, or to increase the rate without the consent of the powers.

The Administration of the Customs

At any rate the Nationalists will not depart from their newly well-formulated policy of "doing it by ourselves." As the internal conditions proved unfavorable for the enforcement of the National tariff law on September 1, well, October 1 may be the date. It is only a matter of time!

Now, the next question to be discussed is the administration of the customs. The Declaration of Tariff Autonomy both presupposes and couples with it the idea that the administration of the Customs must be handed over to the Chinese. Indeed, the Chinese have expressly demanded this. The reasons are obvious: In the first place, the Customs administration, being quasi-sovereign in nature, is considered by the Nationalists as an infringement to the Chinese sovereignity so long as it is under the overhead control of foreign inspectors. Secondly, too much of the Chinese revenue has gone to foreign pockets in the form of salaries, while the Chinese staffs, working the hardest, are only licking the naked bone after the meat is eaten up by the foreign staffs.

That the administration of the Customs has been put under foreign over-head control is due to the fact that part of the revenue realized has been pledged by China to pay off her debts to some foreign powers. In view the fact that the foreigners really have no confidence in Chinese and the handing over the administration means to them an automatic breach of obligation, some sort of arrangement satisfactory to both sides must be arrived at, so long as China has not "cleaned accounts with her creditors."

At present besides the Chinese Maritime Customs, which is under foreign over-head control, there is another "Surtax Revenue Department" which is to collect the surtax, that is 2½% from ordinary goods, and 5% from luxuries. Here comes a solution! Should the foreign governments think that the handing over of the administration to the Chinese is too "risky," and insist that as it was provided by the treaties that administration of the Customs be put under the over-head control of foreign inspectors, so long as China is in debt to some powers, what the Nationalists could and would do is this: They will allow the present administration of Customs to continue to take charge as previously of regulating the regular 5% Custom duty, and the present surtax department will have the whole control over all subsequently-added taxes as a result of the enforcement of the National tariff law. The name of the present Surtax Department should of course be changed into "National Tariff Bureau" which is perpetual in existence, while the foreign over-head control is only temporary. It is predicted that the knell will sound in 1940 when China will pay off every single cash that she owes. By that time, China will shake hands with these foreign "inspectors" and say good-by forever; and thus what is known as foreign over-head control of the Chinese Customs will be incorporated into the National Tariff Bureau, forming a "purely" Chinese Customs Administration.

Science Society of China Meets in Shanghai

The Science Society of China, which had its beginning fifteen years ago in a little boarding house in Ithaca, N. Y., but which has now become a world-wide organization with more than eight hundred members, held its twelfth annual convention in Shanghai from September 3 to 7. Members were present from all parts of China. The meetings were held at the Chinese General Chamber of Commerce, Chancellor Tsai Yuan-pei presiding. Various scientific papers were read in several languages. The visitors were guests at various social functions, including a tea party given by the Chinese Chamber and a banquet given by the Commerical Press at the Great Eastern hotel. The final event was a banquet given by the Shanghai branch of the Kuomintang party.

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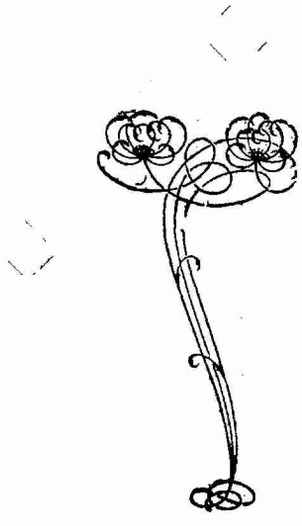

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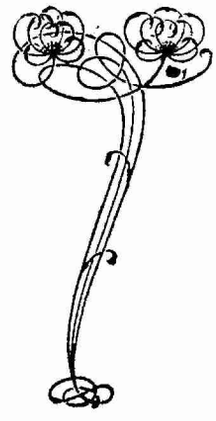

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Japan's New 'Forward' Policy in Manchuria

(*From the Japan Chronicle, British Paper, Kobe, Japan*)

IN view of the forward policy in Manchuria which General Tanaka has instituted, it may be as well to review the claims for rights and interests in Manchuria made by Japan, and the grounds on which they are based. The Portsmouth Treaty, which restored peace between Japan and Russia, provided for the substitution of Japan for Russia as regards railway and other rights in South Manchuria, with the continuance of Chinese control over the administration of the country and the maintenance of the open door as far as other Powers were concerned. It would appear, however, from later developments, that the Russian right, as publicly defined in the treaty, were suplemented by other secret agreements with the Chinese Government, which were communicated to Japan privately by Russia. These Japan brought forward to sustain her claim for "absolute and exclusive right of administration in the territories attached to the railway."

Japan's claim for a monopoly for the South Manchurian railway is based on an alleged secret clause in the agreement entered into in 1905 between Komura and Yuan Shih-kai, which provided that no lines parallel to or competing with the railway should be constructed. This, of course, was in direct opposition to the provision in the Portsmouth Treaty that "Japan and Russia reciprocally engage not to obstruct any general measures, common to all countries, which China may take for the development of the commerce and industry of Manchuria," but it enabled Japan to prevent a British firm constructing an extension of the North China Railway from Hsinmintun to Fakumen. Thus a new and special privilege was established in Japan's favor and China's freedom of action was thereby so much limited. So far from the door being kept open in South Manchuria, it was tightly shut to the other Powers so far as railway construction was concerned. Britain for political reasons accepted the position, in spite of its acting adversely against her own nationals, and thus Japan was further established in these more or less self-made rights and privileges. In 1907 Japan and Russia signed a convention whereby each side agreed to respect the rights acquired by the other in China, and similar agreements were entered into with France and America. It is true that the object of the agreements was not bluntly stated in so many words as being for the recognition of the rights and privileges acquired or filched by each other, but the fact that all the agreements recognised the "existing status quo" could evidently be construed to this purpose by any of the Powers entering into the agreement should occasion arise. But the assault on Japan's railway monopoly in South Manchuria was not to end with the failure of the Fakumen project. The British projectors of that railway joined with a group of American banking interests and entered into a preliminary agreement with the Peking Government for the construction of a railway from Chin-chow to Aigun on the northern border of Manchuria. This project was knocked on the head by Russia in the interests of the Chinese Eastern Railway, which saved Japan from repeating her objections, which, however, she raised when Mr. Knox, the U. S. Secretary of State, put forward his project for the neutralisation of the railway in Manchuria.

The Knox Neutralization Plan

The plan of Mr. Knox was to hasten the time when the Railways could be purchased by the Chinese Government by lending China the purchase money, the railways to become the property of the Chinese Government but to be administered by a joint international commission. Unfortunately Mr. Knox was laboring under the idea that Japan and Russia meant what they said, that is that they really desired to protect the policy of the open door and equal opportunity in Manchuria, while keeping China's sovereignty unimpaired. China was, of course, quite agreable to the plan, but Japan and Russia would have nothing to do with it. Russia stated that the scheme would seriously injure Russian interests, both public and private, to which she attached capital importance, and that the Chinese Government had engaged not to build railways to the north of Peking with foreign capital other than Russian. Of course, as the American Government pointed out, this agreement was not binding on China as it would nullify the stipulations in the treaties between her and other Powers, but the protest was useless. Japan objected to the Knox proposal on the ground that it would disturb the *status quo* which had been made permanent by the Portsmouth Treaty. With considerable naivete, also, the Japanese Government failed to see in Manchuria any conditions which distinguished that part of the country from other parts of China and which necessitated any exceptional system of control being there established. Then, of course, there were the interests that Japan had already acquired in Manchuria.—the development of those enterprises which were described as contributing in such a marked degree to the prosperity and progress of Manchuria, and in which a large number of Japanese subjects and large sums of Japanese money were enlisted. "The Imperial Government could not in good faith and with a due sense of their responsibility consent to surrender the means by which such protection and defence are made possible." Thus the rights and interests, acquired under a treaty which stated that the participants had not in China "any territorial advantages or preferential or exclusive concessions in impairment of Chinese sovereignty or inconsistent with the principle of equal opportunity," were already being used as the basis for establishing exclusive privileges, amounting to a suzerainty over the country.

Russo-Japanese Treaty of 1910

American interference brought on the Russo-Japanese Treaty of 1910, which was an agreement for each to respect the rights acquired by the other in Manchuria, and to act together when there was any attempt of other Powers to infringe those rights. The Anglo-Japanese Alliance of 1911 also further affirmed the maintenance of Japan's territorial rights in the regions of Eastern Asia. Then in 1915 came Japan's Twenty-one Demands. So far as they related to Manchuria, the part of these demands which China was forced to accept on the threat of an attack from Japan included an extension of the lease of Port Arthur and Dalny and the terms of the South Manchuria Railway and the Antung-Mukden Railway to 99 years; the leasing of land in South Manchuria for building or agriculture; freedom of residence and travel and right to engage in business or industry in the province; and the right of mining. Railway and other loans in so far as South Manchuria and Eastern Inner Mongolia were concerned were to be negotiated with Japanese capitalists first, Japanese were to have the first choice for foreign advisers, etc. These demands, which were acceded to, were considerably modified from those at first proposed, which practically handed South Manchuria over to the Japanese, but still they formed a good base on which to act. Japan's policy was shown by the Chengchiatun incident of 1916, when some Japanese soldiers had a fracas with Chinese soldiers. As a result of this Japan claimed that China should agree to Japan stationing police officers wherever they were necessary in South Manchuria and Mongolia, the fact being that she had already established police stations in South Manchuria, in spite of the protests of the Chinese Government, and it was as a result of these military police being at Chengchiatun that the trouble arose. Again Japan had established rights and interests illegally and was asking for *post facto* consent.

The South Manchuria Railway

The great institution on which all Japan's rights and interests in Manchuria depend is the South Manchuria Railway. It is this railway which provides a foothold for Japan in Manchuria, and it is from this railway that all her different claims spring. She uses it as a means whereby to keep enterprises other than those in which she is interested at a distance. A line running parallel to the South Manchuria Railway, no matter whether it is at a distance of several hundred miles, is still a railway that would injure Japan's interests, and as for any connecting links they must, of course, be in Japan's hands for strategic reasons. Further the protection of the railway affords a pretext for the maintenance of troops in Manchuria, who guard it with a jealousy which would seem to suggest that somebody might come and walk off with it in the middle of the night. The other day some refugees from floods endeavored to cross the line to a place of safety and came into conflict with the guards, with the result that several Chinese were killed before matters were straightened out. The corporation which was formed to run the railway and the attached mining and other enterprises is, of course, merely a screen behind which the Japanese Government directs its affairs. One provision under which the company works is that if a demand is made at any time the railway and other properties of the company are to be placed at the service of the Government. In fact the Japanese Government now owns four-fifths of the paid-up stock of the company, which was originally a joint Japanese-Chinese organisation. The railway is practically South Manchuria. Its officials direct the affairs of the territory through which the railway passes and along the railway zone with practically powers of life and death. Japan lays claim to preferential and even exclusive rights in regard to the building of railways in Manchuria and the making of loans secured by local revenues of the three Manchurian provinces, which means that she regards her possession of the South Manchurian Railway as giving her exclusive railway privileges. As far as South Manchuria is concerned the "open door" has disappeared. Japan has established a Monroe Doctrine for Manchuria, if not for the whole of China. It will be remembered what ill feeling was expressed by Japan when in 1917 the American Government, in a note to China, expressed concern at the continuance of dissension in the country and a desire for the establishment of tranquility. Surprise was expressed that the American Government should have taken this step without

consulting the Tokyo Government, which thus evidently showed that it regarded itself as the guardian of China. During the war, also, Japan showed her desire to order the destinies of China by refusing for a time to assent to the proposition of the other Allies that China should come in to the war on their side, on the ground that the country was in too disturbed a condition.

Japan's Claim to Special Rights

Japan's claim to special rights and interests have never been accepted by the other Powers directly; indeed, they have been fought with some amount of persistence, as in the case of the negotiations for the International Banking Consortium of 1920, which Japan was finally constrained to enter upon practically the same terms as the other Powers, although she obtained a reservation in her favor that the other Powers would not give countenance to activities of the Consortium which would be directed against her own national defence and economic existence. But although Japan abandoned in theory at that time her contention that there were particular regions in China--South Manchuria and Eastern Inner Mongolia—in which she had special interests, in practice she has adhered to her position, and to-day, in spite of the attitude of the other Powers, she is again talking of those special rights and interests and formulating a policy under which she will be able to get the full benefit from them. These rights and interests, as shown, are largely founded on steps she has thought it necessary to take to protect those rights which she took over from Russia. By gradual accretions she has added to them, and she now occupies the position that any attempt of the Chinese administration which runs counter to the interests of her nationals is regarded by her as an infringement of her rights. The persistence of Japan in making these claims seems for the present to have worn resistance down.

Is There a Secret Treaty With Russia?

Whether she has any secret agreement with the Soviet Government on the matter, similar to the secret agreement which was formed during the war with the old Tsarist Government, is not known, but it does not appear that any opposition will come from that side, provided Japan does not encroach upon the spheres of influence which the Soviet Government has inherited from its predecessor.

So far as the Chinese administration is concerned Japan has shown a complete disregard of any political jurisdictional rights. This is shown by the establishment of "police boxes" in connection with extraterritorial privileges, a right which no other Power has claimed. Japan founds this claim on the right of the Japanese to reside, travel and engage in commerce and industry in South Manchuria. Such Japanese, she claims, must have protection, and it was for this purpose that police officers were stationed in the country. In 1916, the Japanese Government handed a note to the Chinese Minister of Foreign Affairs in which it was stated as a fact that a number of Japanese police officers had already been stationed in the interior of South Manchuria and that they had been recognised by the local officials of the localities concerned, since intercourse had been conducted between them. Such police officers, it was further stated, would be further stationed in the interior of South Manchuria and Eastern Inner Mongolia wherever and whenever necessary, according to the number of Japanese residents there. One of the reasons for this step was ingeniously explained as directed to seeing that Japanese subjects abide by the provisions of the Chinese police regulations, from which it might be inferred that the Japanese residing in South Manchuria were of such an unruly nature that double police control was necessary. Japan was hardly flattering to her merchants and traders abroad. However, subsequent events showed that it was not merely to control her own nationals that China sent police officers to South Manchuria. At the present time some unpleasantness has been created between the Japanese and Chinese police forces by the interference of the Japanese police in the strike at Penchihu mine and their attempt to arrest the ringleaders, the mine not lying within the railway zone. Further we have the recent rounding up of a number of alleged Communists by Japanese police. According to Japan, the stationing of Japanese police officers in South Manchuria does not in the least prejudice Chinese sovereignty, but helps to improve the relations between the two countries and bring about the development of economic interests in no small degree. This view has never been shared by the Chinese Government, however, which has continually protested against this enlargement of the principles of extraterritoriality outside the leased areas, as naturally resulting in her own countrymen being brought under Japanese jurisdiction.

Japan's Illegal Position

Here again Japan's rights and interests are what she has obtained by performing illegal acts, for which she has not even obtained *post-facto* consent. It is a system of gradual pressure being brought to bear to remove the Chinese administration and replace it by Japanese, every "incident" aroused by this pressure being taken merely as a reason for increasing it still more.

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In the United States Court for China

In re	Cause No. 2979
Last Will and Testament	Estate No. 614
of	NOTICE
CHARLES McCASLIN, Deceased.	

Pursuant to an Order of said Court, notice is hereby given to all persons having claims against the Estate of CHARLES McCASLIN, Deceased, to present the same with vouchers to the undersigned on or before March 17, 1928; and all persons owing debts to said deceased are hereby notified to make payment of the same in due course to the undersigned.

Edward H. Dunning
Executor.

Shanghai, China.
Sepembert 12, 1927.

The Finances of the Nationalist Army

The following statement of receipts and expenditures, beginning from May 1 to August 15, 1927, of the Nationalist Revolutionary Armies is issued by the Commissariat Department of the Headquarters of the Commander-in-Chief.

The total expenditure up to August 15 is $53,585,329.611 leaving a balance of $862,940.516 of the total receipts of $54,448,270.127. (last three figures are cents and milles)

Every item of the receipts of the statement below is vouched by official receipts issued by the Commissariat and every item of expenditures is vouched by the receipts issued to the Commissariat by the respective recipients of the funds—the various military Headquarters, and governmental offices.

The Commissariat, in the publication of the statement, also announces that the various financial and military authorities who have either received from or paid to the Commissariat whatever sums of funds are requested to audit the statement below, and if they should discover any mistakes thereof, they are also requested to refer them to the Commissariat.

The item, known as "Special and incidental expenses" under the expenditure account, is so called, because it embraces all the disbursements to the various armies which at the time had not been definitely allotted with a stated sum, and also such disbursements in the form of extra expenses requested by and paid to the various armies.

Receipts

Balance carried forward from the previous administration	$684,168.590
Ministry of Finance	18,602.354.083
Finance Committee for Kiangsu	20,700,000.000
Bureau of Finance for Kiangsu	1,800.000.000
Bureau of Finance for Chekiang	2,015,714.280
Political Council of Anhwei	697,393.900
Chemical Bureau of Kiangsu	10,000.000
Office in Charge of contributions to military funds	252,198.969
Balance from the office in charge of the wounded soldiers	107,860.370
Balance from Commissioner Chu	12,726.093
Balance from Garrison Headquarters at Wuchang	21,917.714
Commissioner Yang of the Special Police	200,000.000
Balance from the "rewards" given to the 6th Army	60,000.000
Balance from the office of the Chief-of-Staff	14.012
Balance from the Auditing Dep't	3,057.324
Balance from Superintendent Yu	50.000
Balance from Gendarmerie Headquarters	762.251
Balance from Munition Dep't	48.000
Balance from thh Inland River Police Headquarters	100.000
Balance from the proceeds of the Treasury Notes returned by the Troop stations	59,277.781
Uncashed Checks and Treasury Notes returned by the Headquarters of the field commander of the Eastern Route Army	4,404.000
Tri-provincial Treasury Notes returned by the Headquarters of the field commander of the Eastern Route Army	24,128.857
Balance from the Purchasing Dep't of the Bureau of Communications	8.000
Balance from the Commissariat Dep't of the Garrison Headquarters	299.000
Balance from the Nanking Office of the Student's Union	229.503
Interests on deposits	2,717.400
Fines exacted from Wong Chen-tung	300,000.000
Fines exacted from King Yu-chi	1,800.000
Fines " " Tai Lung	1,800.000
Fines " " Hwa Chen	2,000.000
Total	54,448,270.127

Expenditures

Nationalist Government for May and June	26,189.333
Central Executive Committee for May and June	23,000.000
Central Kuomintang Headquarters	29,000.000
Central Judicial Commission for May	1,000.000
Military Council for May and June	3,500.000
Special Kuomintang Headquarters for May	3,000.000
Special purification committee of the Kuomintang	1,000.000
Alumni Association of the Whampoa Cadet's School	21,147.000
Eastern Route Army	4,793,208.700
Second Army	897.000
Fifth Army	151,000.000
Seventh Army	2,110,000.000
Sixth Army	1,348,872.500
Tenth Army	1,533,906.000
Fifteenth Army	1,126,000.000
Twenty-seventh Army	792,266.000
Thirty-third Army	878,805.552
Thirty-seventh Army	1,829,249.900
Fortieth Army	1,570,000.000
Forty-third Army	201,200.000
Forty-fourth Army	1,078,417.173
Twenty-sixth Army	760,000.000
Twentieth Army	101,700.000
Twelfth Army	1,700.000
Seventeenth Army	82,000.000
Fourteenth Army	82,400.000
Twenty-fifth Army	50,500.000
Thirty-first Army	50,000.000
New Fifth Army	100,000.000
New Sixth Army	30,800.000
New Eleventh Army	587,000.000
Headquarters of the Second Route Army	1,822,600.000
" " " First Route Army	3,297,000.000
New Twenty-first Army	100,000.000
First Division	65,000.000
Second Division	2,000.000
Commander of Vanguards, Wang	86,000.000
Third Division	20,000.000
Independent Third Division	10,000.000
Independent fourth Division	522,780.000
New First Division	2,100.000
New Fifth Division	3,000.000
Provisional Second Division	20,000.000
New Independent fourth Division	30,000.000
New Tenth Army	45,400.000
Independent Fifth Division	258,100.000
The resident representative of the Northwestern Army	6,000.000
Nanking Office of the North-western revolutionary Army	1,725,300.000
Reconstruction Army	102,000.000
General Chin Yun-ao	160,000.000
Plain Clothes Corps in Hsu-Hwai district	5,278.800
Volunteer Corps	25,000.000
Division Commander King	50,000.000
Pacification Commissioner in Kwangtung	1,000.000
Pacification Commissioner in Northern Kiangsu	25,000.000
Pacification Commissioner of the Northern Route	10,500.000
Pacification Commissioner for Shantung and Chihli	6,200.000
Special Constabulary Bureau	9,840.740
Headquartors of Chekiang Defence Commissioner	40,000.000
Headquartors of the Defence Commissioner of the Eastern Chekiang	172,500.000
Headquarters of the Defence Commissioner of the Western Chekiang	216,500.000
Defence Division of Chekiang	50,000.000
Headquarters of the Defence Commissioner of Eastern Kiangsi	4,000.000
Pacification Commissioner of the Second Route Army	9,261.000
Headquarters of the Martial-law in Nanking	44,137.364
Headquarters of the Defence Commissioner of Shanghai	80,000.000
Commander of the Armored trains	65,370.000
Garrison Commander of the river ports on Yangtze	210,000.000
Garrison Commander of Nanking Forts	47,968.000
Garrison Commander of Woosung Forts	39,266.000
Garrison Commander of the Chinkiang Forts	13,874.000
Headquarters of the Commander-in Chief of the Navy	900,000.000
Chueh-chuen Gunboat	6,694.000
Chu-chen Gunboat	11,620.000
Chao-wu Gunboat	2,994,000
Tai-yun Gunboat	1,508.000
Superintendent of the Troop Stations	2,289,865.343
Commissioner of Military Transportation on Tsin-pu and Lung-hai Railways	4,500.000
Commissioner of River Transportation	93,000.000
First Division of the Defence Force	422,500.000
Regimental Headquarters of the Defence Force	171,027.594
Regimental Headquarters of the Gendarmerie corps	92,698.000
Regimental Headquarters of the Artillery Corps	129,916.000
Engineering Corps	132,800.000
Sixty-sixth Regiment	6,272.629
Training Corps	9,500.000
Sixth Supplementary Regiment	30,750.000
Seventh Supplementary Regiment	31,650.000
First Supplementary Regiment	46,596.190
Second Supplementary Regiment	37,323,887
Third Supplementary Regiment	42,627.550
Fifth Supplementary Regiment	32,400.000
Fourth Supplementary Regiment	30,000.000
Eighth Supplementary Regiment	20,200.000
Tenth Supplementary Regiment	350.000
Eleventh Supplementary Regiment	8,000.000
Twelfth Supplementary Regiment	3,000.000
Defence Force Regiment	53,807.000
Twenty-first Division	65,300.000
Twenty-second Division	79,300.000
Bombing Practice Dep't	14,180.000
King-or Gunboat	600.000
Chung-san Gunboat	7,000.000
Chuen-shu Gunboat	7,170.050

Nanking Wireless Station		$5,601.000
Kiang-yin Forts		5,500.000
Central Cadets Academy		465,426.500
Nanking Office of the Officers and Students of the Wuhan Cadets' Academy		3,550.000
Political Training Dep't		$57,865.000
Shanghai Kuomintang Training School		25,000.000
The Central Political Training Dep't		613,600.000
The Information Bureau		14,080.990
Shanghai Arsenal		960,000.000
Hangchow Arsenal		100,000.000
Nanking Arsenal		486,100.000
Committee in Charge of the Wounded Soldiers		297,383.400
Former Administrative Committee of Nanking		475.000
Munition Bureau		3,708.945
Surveying Bureau		30,297.708
Office in Charge of Tsin-pu Railway		120,000.000
Educational Executive Committee		500.000
Prison Guards of Kiangsu First Prison		2,470.600
Nanking Municipal Government		96,000.000
The Financial Bureau of the Nanking Municipal Government		50,000.000
Shanghai Municipal Government		160,000.000
Office in Charge of the Military Affairs on Tsin-pu Line		500.000
Headquarters of the aviation of the Eastern Route Army		8,159.940
Commander Wu		50,000.000
Advisory Board		49,529.600
Department of the Chief-of-Staff		55,517.758
Auditing Department		11,299.743
Secretariat		35,943.440
Office of Military Affairs		17,727.308
Munition Department		63,602.400
Headquarters		379,644.624
Communication Bureau		236,502.400
Army Physicians		431,742.000
Aviation Headquarters		113,070.600
Special Police		99,300.000
Commissariat Dep't at Canton		15,365.220
Military Tribunal		13,675.887
Recruiting Office		5,163.638
Training Dept.		32,773.000
Ration for wounded soldiers		38,000.000
Expenses for Communication materials		326,479.600
Expenses for military sanitation		273,130.760
Transportation expenses		309,727.636
Furniture, fixtures and equipment		3,549,012.484
Military supplies		181,732.100
Travelling Expenses		299,639.616
Special and Incidental Expenses		3,600,473.777
Subsidies		42,210.163
Expenses for construction works		53,598.420
Expenses for detective services		2,000.000
Rewards for troops		534,159.795
Miscellaneous expenses		405,571.155
Funeral expenses		3,038.160
Expenses for secret military service		16,410.000
Horses		30,000.000
Mobilization expenses		5,000.000
Purchases of fixtures, etc.		229,526.200
Expenses for disbanding troops		83,158.227
Recruiting expenses		42,500.000
Initial Expenses of the Armies		50,000.000
Commissariat Dep't of the Nanking Garrison Headquarters		3,296,250.760
Body-Guards		1,236.000
Commissariat Dep't of the Headquarters of the vanguards of the Eastern Route Army		130,000.000
Political Training Dep't of the First Route Army		1,000.000
Secretariat of the Military Council		2,000.000
Headquarters of the Garrison Commander in Anhwei		5,564.000
Headquarters of the River Defence Forces of Anhwei		23,311.500
Headquarters of the Yangtze Defence Forces		2,000,000
Wireless Training Corps		414.000
Committee in charge of the winter uniforms		300.000
Anhwei Military Prisons		734.442
Anhwei Military Surveying Bureau		11,590.833
Anhwei Provincial Educational Committee		300.000
Secret Service Dep't		500.000
Provisional Administrative Committee		1,736.340
Loans to Superintendent of the troops Station		95,000.000
Commisariat Dep't of the Headquarters		58,109.971
Shanghai Office of the Commissariat Dep't		8,557.674
Convoys of the Commissariat		19,233.883
Transportation Corps of the Commissariat Dep't		7,566.000
Transfer to the Military Council	465,040.820	
" " " " "	314,843.066	
BALANCE	83,056.630	53,585,329.612
TOTAL		$54,448,270.127

In the United States Court for China

PAUL F. FAISON, Plaintiff,

vs

JENNIE FAISON, Defendant.

Cause No. 2980

Civil No. 1231

SUMMONS

Filed at Shanghai, China,

Clerk.

The President of the United States of America

To the United States Marshal for China and his Deputies—

GREETING:

You are hereby commanded to serve this Summons and a copy of the complaint in the above entitled action upon the defendant

JENNIS FAISON

and to notify her to be and appear before this Court on or before the fortieth day after service hereof to file her written answer on oath.

(SEAL)

WITNESS the HONORABLE MILTON D. PURDY, Judge of the United States Court for China, Shanghai, China, Sep. 8, 1927.

L. T. Kenake,
Asst. Clerk

Excerpt from Regulations, Section 8: On proof of due notice, judgment by default shall be procured against any defendant failing to appear and file his written answer as required.

In the United States Court for China

PAUL F. FAISON, Plaintiff,

vs

JENNIE FAISON, Defendant.

Cause No. 2890

Civil No. 1231

ORDER

Filed at Shanghai, China, September 8, 1927.

L. T. KENAKE
Ass't Clerk

ORDER.

The object of this suit is an action for divorce.

On motion of the complainant it is this 7th day of September, 1927, ordered that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays accruing after the day of the last publication of this order; otherwise the cause will be proceeded with as in case of default.

MILTON D. PURDY
Judge
United States Court for China.

September 8, 1927

While Nationalists Talk Politics, Japan Prepares To Annex Manchuria!

BY J. B. P.

If a 'Man from Mars' should attempt to write a long-range review of the political situation in China at the present time, he would be impressed by two outstanding factors. In the Yangtsze Valley he would observe a considerable number of politicians, members of the Kuomintang engaged in acrimonious discussion of the subject of unification of the party, the chief matter being that of political jobs, and none of them of particular consequence from the standpoint of either China or the world at large.

Japan Preparing to Act in Manchuria

And while this situation prevails in South China, events of far greater consequence are taking place in the North, events of great consequence to the future of China and also to the outside world. These events have to do with the future of Manchuria, that large and important section of China's territory embracing the provinces of Hei-lung-kiang, Kirin and Cheng-king, an area of approximately 364,000 square miles with a population of approximately 22,000,000.

The situation respecting Japan's evident intentions to definitely establish her political and territorial control in Manchuria, is considered in the editorial columns of this ssue of *The Review*, hence the chief interest here is to review Marshal Chang Tso-ling's unenviable connection with what is now taking place in North China. Chang Tso-ling first came to public notice as the commander of a force of Chinese 'Hungutzu' or bandits which were subsidized by the Japanese in Manchuria during the course of the Russo-Japanese War. In 1906 he was taken into the regular military forces in Manchuria and rapidly rose to a commanding position. During the Chinese revolution 1911-12 Chang again served the Japanese by preserving order in the Three Eastern Provinces.

He was a faithful supporter of Yuan Shih-kai, but for some reason broke with the dictator when Yuan attempted to establish a monarchy. In 1916 Chang was made civil governor of Fengtien and shortly afterward made acting military director-general. In 1917 he assisted Marshal Tuan Chi-jui in defeating the old militarist Chang Hsun who attempted to restore the Manchus to the throne. Since that time Chang has been supreme in Manchuria and from the general standpoint of Chinese political affairs has either pursued an independent course from the standpoint of the Central Government, or has attempted to dominate the entire country, in the latter connection usually coming into conflict with Marshal Wu Pei-fu leader of the Chihli faction.

Always a Willing Tool of the Japanese

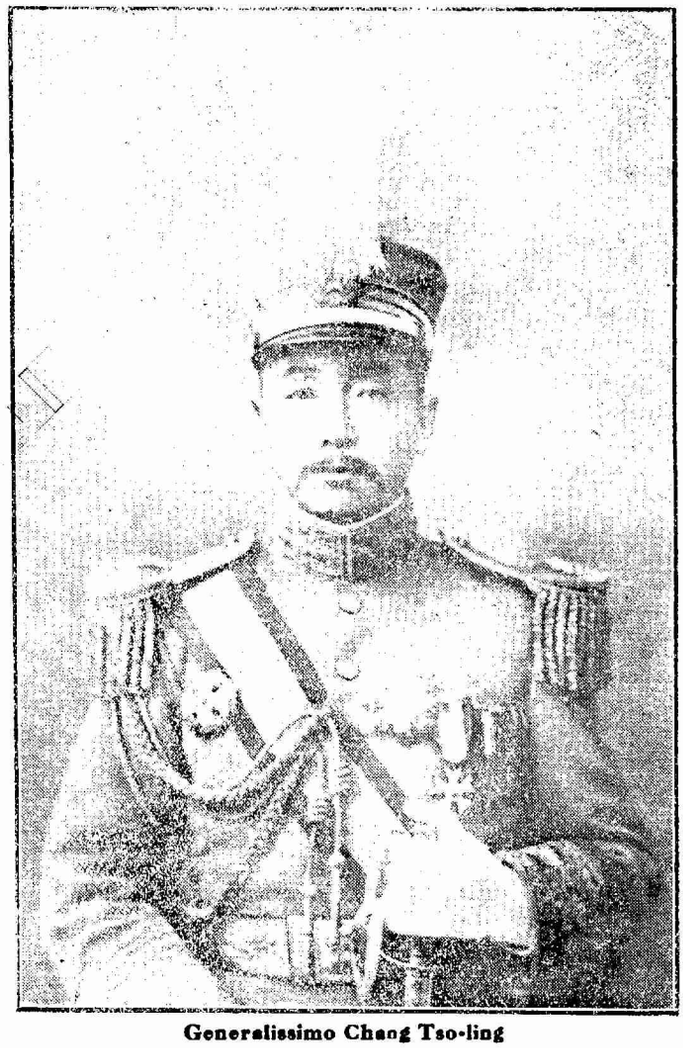
Marshal Chang Tso-ling has always been the willing tool of the Japanese in Manchuria, accepting both military and financial assistance from them when in trouble, in return for which he has granted to the Japanese control of most of the resources of the Three Eastern Provinces. In 1925 Chang would have been ousted completely had it not been for the Japanese intervention at Mukden which enabled Chang to suppress the 'rebel' forces and finally execute the leader Gen. Kuo Sung-lien. In recent years the Japanese have begun to lose interest in Chang largely due to the fact that he has refused to heed their adviceand remain in Manchuria preserving order. As the Japanese pressure has gradually closed in Chang has found residence at Tientsin and Peking more desirable until it is now questionable whether he will ever return to Manchuria, even in the event of a defeat at the hands of the Nationalists.

Japan Preparing for Final Consummation

A year ago it was thought that Japan was planning to seize Eastern Siberia, which would have given economic control of Manchuria at the same time and without the danger of facing the animosities of the Chinese people generally, but for some reason there was a change of plans in respect to Siberia, possibly due to the conclusion of an understanding with the Russians. But today, Japan has lost much of her south China trade and has little to lose in the event of a strong action in Manchuria, so it appears that the day is shortly to arrive for action in this regard. In this connection there are many indicating straws, one of which is the evacuation of Shantung because of the folly of leaving a small force in the Shantung capital, Tsinanfu, if major trouble developed north of the Great Wall. Recently Japan announced that the population of Japan had increased 384,000 during the past three months, which foreign observers in Tokyo claim to be at least 100,000 too high, the idea being to emphasize the old Japanese propaganda that Japan must have more territory to expand into. Then in addition to this the Japanese have announced the necessity of obtaining further natural resources from Manchuria which are needed in the economic development of Japan. Then on top of it all comes that ultimatum to Chang Tso-ling that all work must be stopped on the various Chinese railways which are being constructed by Chinese interests for the purpose of making the Chinese in Manchuria independent of the monopoly of the South Manchuria Railway.

Anti-Japanese Agitations

In view of the fact that serious anti-Japanese agitations have now developed in Manchuria, Japan has announced a mobilization of her forces in the Kwantung leased area and the chances are that these troops will be used in the event Chang Tso-ling is unable to suppress the disorder as the Japanese have ordered him to do. It is therefore quite logical to expect Japan to step in and under the guise of 'preserving order' assume definite control of affairs in Manchuria herself,



Generalissimo Chang Tso-ling

thus making the Three Eastern Provinces a definite part of the Japanese mainland-controlled territories. The actual annexation of the territory will of course come later, but the important preliminary steps are now being taken in that direction and for those interested in making a detailed study of the situation, a history of events in Korea preceding the annexation, will show the methods.

'While Rome Burns'

While these momentous events are impending in North China, the Kuomintang Party, the only political entity in China deserving the name of political party, is engaged in a seemingly hopeless task of settling internal party differences and trying to apportion political jobs in the new unified

(*Continued on page VI*)

Christian Missions and the Situation in China

BY A. L. WARNSHUIS

Secretary, International Missionary Council, New York City

(*Reprinted from The Annals of the American Academy*)

THE largest American interests in China are the Christian missions. The capital invested in schools, colleges, hospitals, churches, houses, and land is estimated to be approximately $80,000,000. The capital invested by American commercial interests is estimated to be about $70,000,000. The annual expenditures in China of the American missionary agencies is not less than $10,000,000. This figure does not include the contributions of the Chinese churches or the fees paid by school pupils or patients, which probably exceed $2,000,000 annually.

Schools

The number of North American (United States and Canada) missionaries in China in 1924 (the latest complete statistics) was 4,492, under appointment of 70 American church boards. The statistics of the schools and hospitals are as follows:

	Number	Students Attending
Kindergartens	180	4,224
Elementary Schools	4,305	147,873
High Schools	205	18,621
Industrial Schools	10	680
Teacher Training Schools	17	612
Colleges and universities	22	2,580
Theological and Bible Training Schools	86	3,198
Medical Schools	8	389
Hospitals	169	103,981*

*Patients.

All of these statistics are those only of the Protestant churches. No complete statistics of the Roman Catholic churches are available to the writer at this moment. While most of the foreign missionaries of the communion come from European countries, the number of Americans has been considerably increased in recent years.

These figures do not adequately represent the interests of Americans in China, for it must be remembered that, while the shareholders in American business in China are comparatively few, the supporters of Christian missions are in every city, town, and village in the United States, and are counted by tens of millions. The tens of thousands of relatives of the missionaries have a deep personal interest in all this work.

Increased Goodwill

The fact should also be recognized that these are agencies that promote better mutual understanding and goodwill. Through the missionaries the Chinese people were introduced to all that is best in western civilization. The missionaries were the pioneers in modern education and scientific medicine. In many ways they have helped the people among whom they lived to know something about the west, its people, and their way of thinking and living. The friendliness manifested toward them in all parts of China by the communities in which they live, which is one of the most significant facts that has emerged out of the turmoil of recent months, proves that their presence and work is generally welcomed and appreciated by those they seek to serve. Moreover, to the missionaries the west owes more than to any others for its knowledge of China the people, their customs, their literature, their philosophy, their history. Whatever may be said of what individuals may have told of Chinese customs and ideas, the high regard in which the Chinese people are held by Americans generally is largely the consequence of the testimony of the missionaries.

It may be observed at this point that their purposes and activities are entirely non-political. Whatever the political effects of their work may be, these are indirect results. Some twenty-five or more years ago official status was offered to them by the Chinese government, and it was immediately and positively declined. There may be individual exceptions, but generally speaking, the missionaries have refrained from taking any part in China's internal political struggles, while always sympathizing with the development of true patriotism and the making of a nation. Regarding China's relations with foreign powers, the missionaries, again with exceptions, have not hesitated to express their opinions and to use such influence as they may have. Such activities are justified because they themselves and their interests are directly involved in the controversy regarding the revision of the treaties. While recognizing that the government of the United States represents other interests as well as their own, many of the missionaries and the missionary boards have for several years

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expressed the desire that the treaties should be revised so as to abolish the special privileges given to them in those agreements, and generally to bring the treaties into conformity with present day conditions and facts.

Present Conditions

The recent evacuation of missionaries from the interior of China should not be misunderstood. This movement, now extending to almost the whole of China excepting only the southwest, the northwest, and the three Manchurian provinces, has not been due to local animosity or danger. The continuing friendliness of the people of China is a fact that cannot be stressed too much as it proves the absence of an anti-foreign spirit, while the opposition to the special privileges of foreigners is general throughout the whole country. The withdrawal of the missionaries has been in obedience to the urgent advice of the consuls, who feared that the general demoralization of civil government, and the possibility of armed clashes between foreign and Chinese forces in some of the open ports, might result in arousing the passions of unruly elements and so create dangers where none have existed. The desire to avoid any situation which might increase the difficulties of the governments both of the United States and of China, or otherwise unnecessarily embarrass these governments in the continuance of friendly negotiations is the underlying motive that explains the withdrawal of most of the missionaries from places in the interior of China. At the present time the missionaries are largely concentrated in the port cities on the coast of China, Those whose furloughs would regularly come in the next year or two are returning now to America. For all the others, the present plans are that they shall remain as near to China as is possible. Some of them will engage in temporary service in neighboring countries. For the large number it is hoped that arrangements may be made for them to engage in the study of the Chinese language, literature, religion, and other subjects that will qualify them for better service in the future. The purpose is to enable them to return to their stations as soon as that is advisable.

The Future

For the future the prospects are such as encourage great hopes. The growth of the Christian church in recent years has consisted not only in the increase in membership but also in a growing consciousness of its own responsibilities. It is in this connection that the temporary absence of the foreign missionary may not be without great advantage to the church as it may help the Chinese churches and their leaders to realize more fully their own strength and duties. The present discussions and agitation by various parties in China serve to make Christianity more widely known, and there can be no doubt that in the end truth will prevail. The missionaries have no other desire. With confidence and faith undiminished they face the future. Twenty-seven years ago it was said by many that Christian missions in China were ended, but events since then have proved that it was then the beginning of a new era in the history of the expansion of Christianity in China. In the quarter of a century that has elapsed since then the growth of the Christian movement in China has been several fold that achieved in the whole preceding century. Again we believe that we are passing through an experience that is the beginning of a forward movement that will be even greater than that of the past twenty-five years. There will doubtless be changes in methods of administrations which will give the Chinese Christian leaders larger powers of initiative and greater opportunity for service. These changes are in accordance with the long established principles of missionary work which aim at the elimination of the foreign missionary as the native churches are established. This does not mean the end of the foreign missionary enterprise, for the unreached multitudes are still very great. but it is the natural development which is being accelerated by the events of the present time in China.

The Christian movement is an influential factor in the present situation in China. Its increasing power is a reason for hope with reference to international relations as well as in connection with other aspects of human progress.

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Men and Events

Miss L. B. Edgar has been appointed a member of the faculty of Shanghai College.

The American Consulates in China are enquiring as to whereabouts of George W. Parsons, formerly of Mayer, Arizona.

T. P. Givens, who was recently appointed Assistant Commissioner of Police in Shanghai, has resumed his duties after a month's holiday in Japan.

Rev. Frank H. Lash, chaplain with the U. S. Fleet stationed at Shanghai, addressed the audience of Community Church at the morning service last Sunday.

The American Players of Shanghai are rehearsing their initial play for this season, entitled "The Show Off" to be produced at the Carlton Theater, October 6.

C. J. Spiker, one of the American Consuls at Shanghai sailed for North China on the s. s. ***Saarbruecken*** September 7, Mr. Spiker expects to return to Shanghai in about a month.

Chinese commercial bodies of Shanghai contributed $60,000 to a fund which was raised for the feeding of the recently captured Northern prisoners, according to the local Chinese newspapers.

The old Lyceum Theater in Museum road, Shanghai, is being braced on the South side with heavy timbers so as to prevent it falling over on the new warehouses just nearing completion alongside.

O. St.C. O'Malley, Counsellor to the British Legation, Peking, departed from Shanghai September 13 by the s.s. ***Devanha*** for Hongkong, whence he will embark on the s.s. *Khyber*, about the end of the month, ***enroute*** to London.

Wrs. S. K. Waterman of Seattle arrived on the s.s. ***President Cleveland*** September 15 and is the guest of her son, H. S. Waterman of the American Consulate General. She intends later to continue on a trip round the world.

The death occurred September 11 of Thomas Rogers Percy, general agent of the passenger department of the Canadaian Pacific railway at Shanghai. Mr. Percy was a native of Ireland, born in 1888. He is survived by his wife in Shanghai.

Dr. Anne Walter Fearn, formerly of Shanghai, at present in Vienna, stopping at a pension belonging to a sister of Miss Frommel, a Shanghai school teacher, has contributed an interesting story of her experiences to one of the local daily newspapers.

Tsang Tin-fan, whose biography appears in another column of *The Review*, has so far not accepted the position of mayor of greater Shanghai to which he was recently appointed, owing, as stated in the Chinese press, to the fact that expenditure is greater than income.

The police of the Foreign Settlement of Shanghai have decided for the present not to hand over to the Chinese Authorities twenty-five men whose extradition was requested. Italian Consular Depuly Bos protested aginst the Provisional Court's decision to hand these men over.

R. S. K. Irvin, who was for several years a resident of Shanghai in the service of the American Express Company, spent last week in Shanghai. Mr. Irvin, who now lives in Philadelphia, has been on a brief business trip to the Orient. While in the Far East he visited his father, Dr. Irvin, in Chosen.

Dr. J. C. McCracken of St. Luke's Hospital, Shanghai, who has been home on leave, returning to Shanghai with Mrs. McCracken and their children early this month, has been awarded the degree of Doctor of Science by the University of Pennsylvania, of which school Dr. McCracken is a graduate.

The No. 1 Special District of the Kuomintang has asked the Woosung and Shanghai Defense Commissioner to "clean up" the bars and houses of ill-fame, as well as gambling institutions which are being conducted on the borders of the foreign Settlement, both by foreigners and Chinese, or by foreigners and Chinese in partnership.

The official proceedings of the fourteenth National Foreign Trade Convention, held at Detroit, Mich., May 25, 26 and 27, have been published in book form under the title of "Foreign Trade in 1927". The book contains the information that America's total export trade for the fiscal year ending June 30 last was G. $4,971,000,000. the largest American export figure attained since 1921.

Elly Widler, Swiss subject, who is mentioned in a pending case in the U. S. Court for China in connection with the sale of bulletproof vests to a Chinese general, secured a search warrant end of last week for the premises in Shanghai of General Yang Sen, Szechuen militarist. Widler alleged that large quantities of jewelry were stolen from him by the general. The search failed to establish such allegation.

Who's Who in China

Gen. Chang Tin-fan
張 定 璠

Gen. Chang Tin-fan, Chief-of-staff to Gen. Bei Tsung-chi, Defense Commissioner at Shanghai, and prominently mentioned as a leading candidate for the position of Mayor of the Special Shanghai Municipality, is a native of Kiangsi province and a graduate of the Paotingfu Military Academy. Before his appointment to his present position, Gen. Chang served as chief-of-staff to Gen. Chiang Kai-shek, generalissimo of the Revolutionary forces.

Although but 36 years of age, Gen. Chang has been associated with the revolutionary movement for many years. He, in association with Chiang Kai-shek, Ho Yin-chin and others participated in the campaigns in Hunan, Hupeh, Kiangsi, Chekiang and Kiangsu.

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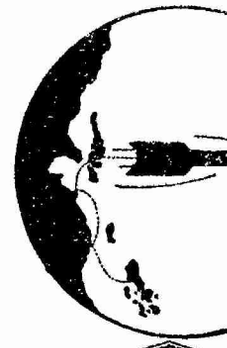

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From the Chinese Press

(News items pertaining to Chinese politics appearing under this heading, are taken mostly from the daily reports of the Kuo Wen (independent), Kuo Min (Nanking official) Nationalist (Wu-Han official) and Toho (Japanese) news agencies, and from translations of articles appearing in the local Chinese press).

September 6—All Japanese troops evacuated from Tsinanfu to Tsingtao—Chen Kung-po and Hsu Chien depart from Kiukiang for Nanking and Wu-han officials expected to depart for Nanking immediately—Railway in Manchuria between Mukden and Huaijen a distance of 252 miles opened to freight and passenger service; road constructed by provincial government and local Chinese interests—Trade beginning to improve at Changsha—*Toho* report from Hongkong states that 'communist' troops under Ho Lung and Yeh Ting, which rebelled in Kiangsi sometime ago, are now trying to attack Swatow and Cantonese send forces to oppose them—*Kuo Min* reports that Yangchow was occupied by Nationalist troops—*Kun Min* states that Northern cruiser *Haichi*, which bombarded Woosung, has been chased back to the North by the Nationalist Navy—Reported that 5,000 of Feng Yu-hsiang's troops under Gen. Loh Chung-lin attacked the Shantung troops at Yangchi in northern Honan and that serious battle developed, but results unknown; reported that Fengtien has abandoned plan to advance into Honan and will now be on the defensive in western Shantung as well as on the Lunghai Railway—Railway communication between Shanghai and Nanking restored—*Kuo Wen* report states that Sun Fo has asked the Wu-han officials not to come to Nanking until definite instructions are received from Tan Yen-kai—Sun Chuan-fang sends urgent demand to Chang Tso-ling for money and ammunition stating he is withdrawing his troops to Pengpu and Minkwang 'for the sake of safety'—Peking report by *Kuo Wen* states that Chang Hsueh-liang may be made governor of Fengtien while Yang Yu-ting may be made premier of a new cabinet—*Kuo Wen* report states that Yen Hsi-shan, tupan of Shansi has refused to receive agent from Peking—Chang Tso-ling sends Wu Pei-fu, who is now at Kweihsien, Szechuen, $100,000 in Fengtien notes for Wu's personal expenses.

September 7—Some 3,000 Nationalist troops cross to Pukow from Nanking but are delayed in Northern advance owing to Sun Chuan-fang's commandeering of all railway cars—*Toho* report from Swatow states that some 15,000 'communist' troops, defeated in Kiangsi are now driving on Swatow creating considerable alarm owing to fact that Swatow has only 2,000 troops in garrison—Koo Yin-fang, chief of Kwangtung Finance department and concurrently minister of finance in the Nanking Government, has resigned from the Kwangtung post owing to local opposition; Shanghai bankers criticise Canton officials for recent action in commandeering banks and seizing funds to bolster up Central Bank notes—Japanese report states that Sino-Japanese commercial treaty negotiations are shortly to be resumed in Peking by Yoshizawa and Wang Yin-tai, foreign minister—Japanese Government denies that evacuation of Japanese troops from Shantung is to be delayed by the revival of war on Shantung border—Gen. Chin Yun-peng, former Peking premier declares through *Toho* agency interview that the present chaotic situation can only be settled by a conference of 'men of power'—Gen. Shirakawa, Japanese Minister of War officially reports to Japanese cabinet that Sun Chuan-fang has been defeated and that the Wu-han troops are advancing through Anhwei for the purpose of cutting off Sun's retreat—Secretaries of Kuomintang Central offices in Hankow depart for Nanking; practically all Wu-han officials depart for Nanking—*Kuo Min* agency states that Quo Tai-chi, commissioner of Foreign Affairs has thanked the Japanese for withdrawing troops from Shantung but strongly repudiates Japan's suggestion that she has right to put them back if conditions warrent—Wang Ching-wei, Chu Pei-teh, Mrs. Liao Chung-kai, George Hsu Chien, Koo Meng-yu, and Chen Kung-pao arrive in Nanking from Hankow and are welcomed and entertained by Nankingites—Communication restored between Pukow and Nanking—*Kuo Min* publishes telegram by Feng Yu-hsiang stating that Feng's troops numbering 50,000 have reached the Kiangsu, Shantung border and that he is launching an attack on Hsuchowfu and simultaneously an attack with 30,000 men on Tsining in Southern Shantung—*Kuo Wen* report statesthat Sun Fo has negotiated a reconciliation between Chiang Kai-shek and Wang Ching-wei and that Gen. Chiang may attend Nanking conference—Koo Yin-feng has also resigned as Minister of Finance.

September 8—Toho states in Peking report that serious differences developed between Feng Yu-hsiang and Chin Yun ao over Shantung campaign thas starting report Feng withdrawing his troops to Loyang—Yang Yu-ting, Fengtien chief-of-staff instructs Fengtien civil governor Mo Teh-hui to prevent anti-Japanese demonstrations in Mukden "as well as possible"—Tokyo foreign office recalls Japanese military attache Honjo at Peking and Chang Tso-ling adviser Matsui to Tokyo for conference regarding crisis in Manchuria—Japanese Minister Yoshizawa holds two-hour conference with Chang Tso-ling demanding stoppage of anti-Japanese agitations in Manchuria—Last of Japanese troops evacuate Tsingtao; Chinese supplying band for evacuation ceremony—*Kuo Min* report states Sun Chuan- fang's troops rapidly retreating toward Haichow—Wang Ching-wei delivers speech in Nanking apologizing for his connection with disruption of Kuomintang stating he was influenced by members of Communist party causing break with Chiang Kai-shek—Bei Tsung-chi and Quo Tai-chi entertain members of Chinese Science Society in Shanghai and deliver addresses emphasizing need of science in creation of new China—Gen. Li Tsung-jen delivers address in Nanking forecasting complete reunification of Nanking and Wu-han factions of Kuomintang and declaring same necessary in order to effect measures of self-defense against the "insidious intrigues of the imperialists and communists" and urged public to beware of false rumors regarding party differences—Nationalist Government issues order to effect that law on abolition of likin, provisional tariff and excise tax shall be enforced in Kwangtung and Kwangsi from Sept. 1 and temporarily they shall not be enforced in Kiangsu, Anhwei, Fukien and Chekiang until proper arrangements can be made—Chinese and Japanese reopen commercial treaty parley in Peking—Wang Tin-chang, Peking delegate at Geneva wires Peking demanding salary payment and also demanding Peking remit $4,000,000 for the purpose of paying up China's League dues; Peking remits $35,000—Nationalists lift silver embargo on Hunan, Hupeh and Kiangsi—Koo Yin-fang, Nationalist Finance Minister, suddenly departs from Canton to avoid arrest—*Kuo Wen* reports that Yang Yu-ting has recommended to Chang Tso-ling that certain of the outstanding questions in Manchuria and Mongolia should be referred to the Ministry of Foreign Affairs for proper negotiation.

September 9—Toho report from Hongkong claims that 'Communist' Generals Yeh Ting and Ho Lung, who retreated from Kiangsi have occupied Tapu, Hsiaoling, Pingyuan and Meihsien districts of the northern border of Kwangtung and are cooperating with farmers organizations in advance on Swatow and Canton—Jotaro Yamamoto, newly appointed president of South Manchuria Railway in *Toho* interview declares that Japan's policy toward Manchuria is based upon Japan's fundamental need of Yen 700,000,000 worth of raw materials; that Japan desires to develop Manchuria and Mongolia for purpose of solving food and population problems and that these are the reasons why Japan intends to keep disturbances out of Manchuria and Mongolia—Nationalists continue to ferry troops across Yangtsze for Northern advance—Japanese finally settle questions resulting from rioting at Penchihu coal and iron works near Mukden which Japanese used troops to suppress—Peking report states that Chang Tso-ling may be forced to return to Mukden on account of the anti-Japanese agitations—Japanese Minister Yoshizawa continues to press Chang Tso-ling to suppress disorders—Japanese announce withdrawal of 513 Sailors and Marines from Shanghai—*Kuo Min* states that Wang Ching-wei, Sun Fo and Tan Yen-kai arrive in Shanghai from Nanking on order to induce Hu Han-ming, Chang Ching-kiang, Wu Tsu-hui, Tsai Yun-pei and Li Shih-tseng to go to Nanking for conference—Nationalists claim capture of Taihing and Taichow--Nationalists announce plans to construct aerodrome at Tanyang and to start an aviation school—*Kuo Min* issues further report alleging British soldiers and ships fired on Nationalists and assisted in ferrying Sun Chuan-fang's troops across the Yangtsze in recent fight—Mandame Sun Yat-sen, according to *Nationalist News Agency* report from Moscow visits and places wreath on Lenin's tomb and declares that in China's revlutoionary troubles, it was only Russia that befriended China and that the 'counterrevolutionary' activities now in progress along the Yangtsze are contrary to the principles of Sun Yat-sen--*Kuo Wen* dispatch from Geneva states that British press is launching attack against the Kuomintang representation at the League on the ground that China's dues are unpaid—Gen. Chiang Kai-shek continues to refuse to return—Wu Pei-fu sends delegate to Peking asking Chang Tso-ling for $300,000 to start another campaign against Hankow from Szechuen—Peking announces intentions to negotiate commercial treaty with Turkey—Peking raises $1,200,000 for Mid-Autumn festival.

September 10—Tokyo War Office announces that preparations are made for instant mobilization of Japanese garrison in

New Books of Interest in the Far East

A Valuable Textbook on China

Science and Modern Progress, by Marshall Lloyd Dunn, Shanghai: Edward Evans and Sons, Ltd.

This textbook of 368 pages is dedicated to "all builders of the China of tomorrow" and is planned to be used in middle schools at any time after the student has had three years of English. It is a companion work to the author's *Up To Civilization.*

The author commences his volume somewhat on the style of H. G. Wells. In the year 1950 we have Mak Yui Kee on the borders of Thibet being awakened from his sleep by the wireless telephone alongside his bed. The speaker at the other end is Dr. Wong, as Mr. Mak himself could see in the glass transformer which by that time had become a part of every telephone. They talk about the water power and irrigation projects on the upper Hwangho. The plans are to be sent by airplane mail. And so on.

The bulk of the book is, however, devoted to the modern, workaday world, with its iron, coal and steel industries, its engines, motors and machines, its means of communication, and their interrelation with social and political problems. The industrialism of the West is pictured for the benefit of the Chinese student, and the idea is to show the meaning of science, and explain its usefulness.

The complaint is frequently made that the teaching that is given by foreigners to Chinese is usually to a great extent valueless as the subjects inculcated are far removed from the practical life of the Chinese student. It is just this mistake that Mr. Dunn's textbook avoids. Throughout the work the point is made to bring every fact to bear in such a way that the Chinese student will understand that it is something to his benefit to know all about.

An Indian Detective Story

The Secret Listeners of the East, by Dhan Gopal Mukerji; E. P. Dutton and Company, 681 Fifth Avenue, N. Y.

This is a story involving sedition in India, plus a war between India and Afghanistan, plus Soviet intrigue in Britain's chief Oriental colony. It lives up to the Western conception of Oriental intrigue, the characters being able to transform themselves from Hindus to Mohammedans and from beggars to prosperous merchants without any particular trouble or delay in the story. The story itself deals with the adventures of an Indian Scout Master who set out to avenge the murder of his English friend, Gen. Gastry who was killed by a member of a secret society, the 'Secret Listeners.' The Scout Master and his adopted son, Vrigu lead the reader through a series of amazing adventures from India to Afghanistan and beyond and ends in the capture of the prime conspirators.

Industrial and Financial China

China's Industries and Finance, by D. K. Lieu, Chief of the Investigation Department, Chinese Government Bureau Economic Information, Peking.

One of the bright spots in China's government service is the excellent work that is being done by the Bureau of Economic Information. The *Bulletins*, which have now been published for several years, are always replete with valuable and accurate information, and these are supplemented by various other works, of which the book under review is one of the best examples.

China is a vast country, its industries are in a state of flux, and its finances present a problem unequaled in any country in the world. China is of course going through somewhat the same stage of evolution in its industries as Western countries went through half a century or a century ago. Great as were the problems in Western countries when these changes were made they are infinitely greater in this vast country, and this is so for a number of reasons. Among them is the fact that mechanical invention has gone very far ahead since the time when modern industrialism struck the Western world, and thus we find that the contrast between hand labor and machine methods are doubly accentuated here in the East as compared with the West, for not only is the standard of the hand laborer here much lower than was that of the Western hand laborer when the industrial era dawned but the machinery now being introduced in China is much more rapid and efficient than was the type of machinery introduced in the early days in the West.

One of the subjects touched on by the author is as regards the reasons for the relatively great prosperity of Shanghai, for despite all that is said about the depression of trade, and despite all the evils attendant on civil strife and commotion Shanghai is prosperous.

This subject is such an interesting one that we can not do better than reproduce the author's remarks verbatim:

"In this connection a mistaken but popular notion of many foreign residents in China, and even of some Chinese also, may be discussed with advantage. Shanghai has become the principal industrial center of China, according to this notion, because there are foreign settlements under foreign rule, and that foreign rule spells security of life and property. While such security is very important to industrial development in general, it is a mistake to consider it the cause of Shanghai's industrial growth. The flocking of refugees to Shanghai may cause phenomenal rise in rent and prices, swell the pockets of the local landowners and tradesmen, and present superficial signs of prosperity, yet industries do not develop through mere congestion of population. No amount of security in a small area of a few square miles can make industries prosper if an adequate supply of raw materials is not maintained by good communication facilities, and the products marketed through the same means.

"The principal advantages of Shanghai are (1) its situation at the mouth of the easily navigable Yangtsze river, which traverses some of the richest provinces of the country, (2) the possession of a good harbor where foreign and coastwise shipping lines converge, and (3) the modern transportation facilities of the Shanghai-Nanking and the Shanghai-Hangchow railways. If, by blockade or other measures, all or even a large part of these communications were cut off, and with it the foreign and domestic trade, it would not take long to reduce the city to the fishing town which it used to be, or more probably, to a mere seaside resort of foreigners. Finally, even the so-called security of Shanghai is more apparent than real, as there has been frequent fighting in and around the city during the past twelve years, and during peaceful times there are in Shanghai far more cases of kidnapping, murder, burglary, incendiarism and other inherent evils of modern industrial cities than in most inland towns."

Mr. Lieu has made a painstaking study of China's industries and finance, and its many excellent points cannot nearly all be done justice to in the short space at the reviewer's disposal.

It is a fact which has often been related previously, but the author mentions among the special privileges that foreign banks in China enjoy the advantage that the maritime customs revenue, which now totals about a hundred million dollars a year, must be first deposited with the British Hongkong & Shanghai Bank, the German and Russians banks that once shared this privilege having lost it for obvious reasons.

The story of special foreign privilege in China, the difficulties of Chinese commerce, the intrigue and bickering in connection with the building of Chinese railways, the awful mess in which China's currency is and the obstacles to reorganizing same, all these and many other similar subjects have been themes of numerous books, but in none has the subject been more succinctly portrayed than in the 238 pages under review.

G.W.M.

Kwantung leased territory in case the anti-Japanese agitations in Mukden become worse—*Toho* report states that Russo-Japanese negotiations concerning fisheries on Siberian coast are progressing satisfactorily—*Toho* report from Chungking states that Wu Pei-fu is gradually getting his old forces together for a drive on Hankow—Chang Tso-ling sends strongly worded order to Mukden Civil Governor ordering drastic suppression of anti-Japanese agitations in Manchuria—Nearly 100 Chinese students in Liangyang commercial school operated by South Manchuria Railway go on strike despite Japanese orders—Chang Tso-ling, according to Japanese report from Peking, tells Japanese that he can handle the situation in Manchuria if the Japanese will not be too drastic in their demands; declares that he is not secretly fomenting the anti-Japanese agitations and stating that he has given strict suppression orders—Yang Yu-ting, Fengtien chief-of-staff, holds three hour conference with Yoshizawa over the Japanese demands that the Chinese immediately cease construction of railways which interfere with the monopoly of the South Manchuria line; Japanese also demand that the anti-Japanese agitations be suppressed immediately—Sixteenth Nationalist army crosses Yangtsze at Chinkiang and now has headquarters at Sankianying—Nanking Government decides to abolish the titles of 'Pacification commissioner'—Wang Chin-wei and other Wu-han leaders address joint meeting of Wu-han and Nanking political leaders at banquet in Shanghai, Wang declaring that (1) Kuomintang members of both factions should speak with complete frankness (2) that both sides cooperate to solve military financial problem; (3) that matter of personnel be made matter ofprime importance.

(Continued on page VI)

Latest New York Stock Exchange Quotations

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Amer. Smelting & Refining (Common)	175¼	178
American Telephone & Tel. (Common)	171¼	178¼
American Tobacco "B"	145¼	145½
Baldwin Locomotive Co. (Common)	260¾	261
Bethlehem Steel (Common)	64⅛	64⅞
Bethlehem Steel, Pfd. 7%	116	116⅛
Baltimore & Ohio (Common)	120⅞	121½
Canada Dry Ginger Ale (Common)		53
Cheasapeake & Ohio (Common)	194½	196¼
Eastman Kodak Co. (Common)	167	167
General Baking "A"	71⅜	72¼
General Electric (Common)	139½	140½
General Motors (Common)	248½	254
Goodrich (B.F.) Co. (Common)	76½	77½
International Match, Pfd.	75¾	81½
International Nickel (Common)	64½	65⅛
Ligget & Myers, Class "B"	121⅝	123
Mack Trucks (Common)	100⅞	103½
New York Central (Common)	mutilated	164
Packard Motor Car Co. (Common)	40¼	42
Phillips Petroleum (Common)	43½	44¼
Pacific Gas & Electric	41¼	41¼
Radio Corp. of America (Common)	63⅞	64
Reynolds Tobacco, Class "B"	145	147⅞
Standard Gas & Electric (Common)	63½	64
Schulte Retail Stores (Common)	55⅜	56¼
Southern Railway (Common)	134⅞	134⅝
Standard Oil of California	54⅞	54¾
" " of New Jersey	39½	40⅝
" " of New York	31¼	31⅝
" " of Indiana	73⅞	73⅝
Texas Corporation (Common)	50	50¾
Tobacco Products A	113	112½
Union Carbide	138½	140⅜
Union Pacific RR. (Common)	189	192
United Fruit	144	148⅝
United Drug (Common)	170½	169
United States Rubber (Common)	53	53½
United States Realty & Imp.	64	63⅜

American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity	Sale Price Sept. 1th	Sale Price Sept. 8th	Approx. Yield to Maturity Sept. 8th
Czecho-Slovak Govt. Sinking Fund Loan...	8	Oct. 1, 1952	108½	108	7.30
Czecho Slovak Govt. Ext. S. F. Loan.....	7	Oct. 1, 1945	105⅜	105⅜	6.95
Chile S. F. Loan.....	7	Nov. 1, 1942	102	101⅞	6.80
Argentine Ext. S. F. Loan	6	May. 1, 1960	99⅝	99½	6.05
Italy, Ext. S. F. Loan..	7	Dec. 1, 1951	95⅞	96½	7.35
Austrian S. F. G. Loan..	7	June 1, 1943	102⅞	103	6.70
French Ext. S. F. Loan	8	Sep. 15, 1945	111⅛	111	6.90
Japanese Govt. (£).....	5	1907/1947	84½	84⅞	6.35
German Govt. S. F. Loan	7	Oct. 1, 1949	106½	107	6.40
Deutsche Renten Bank 1st Lien Farm Loan	7	Sept. 15, 1950	101⅛	101⅞	6.85
Saxon Public Works Inc. 1st Mtge. S. F. Loan ..	7	Feb. 1, 1945	102½	102½	6.75
German G. E. C. S. F. Loan.....	7	Jan. 15, 1945	104⅛	104¾	6.55
Finnish Guaranteed Municipalities S. F. Loan...	6½	Oct. 1, 1954	99½	99½	6.55
Chicago Rapid Transit 1st. & Refunding Mtge.	6½	July 1, 1944	98	98	6.70
Northern Ohio Power & Light Co. Debentures.	6½	Jan. 1, 1941	98½	98½	6.65
Cuban Domin. Sugar Co. 1st Lien S. F. Loan...	7½	Nov. 1, 1944	102¼	101¼	7.35
Camaguey Sugar Co. 1st. Mtge. S. F. Loan.....	7	Oct. 15, 1942	100⅞	100⅞	6.90
Pennsylvania Dixie Cement Cumulative...	7	Pfd. Stock	95	94	7.45
Victor Talking Machine Company Cum, Prior	7	Pfd. Stock	97	97½	7.18
Willys Overland Co.....	7	Pfd. Stock	94	93¾	7.50
The National City Bank of New York.....	20	Stock	708	760	2.63

The National City Company, The National City Bank Building, No. 2A Kiukiang Road, Shanghai, China.

Shanghai Exchange for Week Ending Wednesday, September 14, 1927

By Maitland, Fearon and Brand

Exchange:—An improvement of $\frac{5}{16}$d. in the price of Bar Silver in London has taken place during the past week, today's quotation is 25⅝d. ready and forward. The official T. T. rate on London remains unchanged @ 2/5⅞d, but this rate is considerably below that at which business is doing.

The exchange market has ruled quiet and steady, but with no special feature to remark on. The following rates for Gold remittances are available at the close of today's business:—T. T. London 2/6$\frac{3}{16}$d, New York 61¼, Yen 76¾ and 4 m/s export paper can be placed:—Sterling 2/7, G. $.62½.

Our stocks of silver are reported as follows:—

Sycee and Bar Silver.....Tls. 62,435,000 an increase of Tls. 454 000

Chinese and Mexican Dollars..... $ 84,090,000 a decrease of $ 860,000

Estimated value Tls. 122,979,000 as against Tls. 129,918,000 held at this time last year.

	Average rates for Aug.	Thursday Sept. 8	Friday Sept. 9	Satur Sept. 10	Monday Sept. 12	Tuesday Sept. 13	Wednesday Sept. 14
Bank's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T London	2/5 471	2/5⅝	2/5⅝		2/5⅝	2/5⅝	2/5⅝
D/Dfts ,,	—	2/5$\frac{15}{16}$	2/5$\frac{15}{16}$		2/5$\frac{17}{16}$	2/5$\frac{15}{16}$	2/5$\frac{15}{16}$
4 m/s ,,	—	2/6	2/6		2/6	2/6	2/6
T/T India	161.615	165½	165½		165½	165½	165½
T/T France	1,523.269	1535	1535		1535	1535	1535
T/T N. Y.	59.692	60¼	60¼		60¼	60¼	60¼
T/T Demand		60⅜	60⅜		60⅜	60⅜	60⅜
T/T Hamburg		253	253		253	253	253
T/T H'kong	80.173	80⅛	80⅛		80	80	79¾
T/T Japan	79 413	78¼	78½		78	78	78
T/T Batavia	148 433	150	150		150	150	150
T/T Straits	94 423	93½	93½		93½	93½	93½
Bk's buying rates							
4 m/s B/L. Cred. D/A	2/7.471	2/7¾	2/7¾		2/7¾	2/7¾	2/7¾
4 m/s ,, D/P	—	2/7⅞	2/7⅞		2/7⅞	2/7⅞	2/7⅞
6 m/s ,, B/L Cred D/A	2/7.783	2/8$\frac{1}{16}$	2/8$\frac{1}{16}$		2/8$\frac{1}{16}$	2/8$\frac{1}{16}$	2/8$\frac{1}{16}$
4 m/s B/F Cred D/A or D/P	1,653.269	1665	1665		1665	1665	1665
4 m/s N.Y.Lc.	63.173	63⅝	63⅝		63⅝	63⅝	63⅝
4 m/s ,, Docs	—	64¼	64¼		64¼	64¼	64¼

BANK HOLIDAY

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling Bullion.	Sept. 8	Sept. 9	Sept. 10	Sept. 12	Sept. 13	Sept. 14
*London Price of Bar Silver per oz. (English Standard 925 touch)...Pence	25⅜	25½		25½	25⅝	25⅝
**New York Price of Bar Silver per oz. (Pure)	G. $.55	G. $. 55¼		G. $. 55¼	G. $. 55⅛	G. $.55⅜
Shanghai Price of Gold Bars (weight Tls. 10 (Changping) 978 touch).....	Tls. 379^{10}	Tls. 376^{20}		Tls. 376^{00}	Tls. 376^{10}	Tls. 377^{20}
Shanghai Silver Bars (weight Tls. 100(C.)999 touch)	110^{90}	110^{90}		110^{90}	110^{90}	110^{90}
Shanghai Mexican Dollars per $100.....	72.4375	72.4375		72.375	72.4	72.35
Native Bank Rate of Interest (Call money).....	2%	Nil		2½%	1½%	Nil
*Closing Price in Lond on for Previous day						
**Closing Price in New York for Previous day						

HOLIDAY

Bank of England rate of discount	4½%	London Paris on	T/T 124.04
Bank of France rate of discount	5%	New York on London	T/T 486¼
London open Market of Dis. 3 m/s	4⅝%	Bombay on London	T/T 1/5$\frac{15}{16}$
,, 4 ,,	4⅝%	Hongkong on London	T/T 1/11½
,, 6 ,,	4⅝	Kobe on London	T/T 1/11$\frac{3}{16}$